

The NATIONAL UNDERWRITER



GENERAL REINSURANCE GROUP

Largest American multiple line market
dealing exclusively in Reinsurance

GENERAL REINSURANCE CORPORATION

Financial Statement, December 31, 1953

ASSETS

Cash in Banks and Office	\$ 3,968,455
Investments:	
United States Government Bonds	\$23,118,177
Other Bonds	22,607,806
North Star Reinsurance Corporation Stock	10,963,829
Other Preferred Stocks	4,361,050
Other Common Stocks	11,849,689
Total	72,900,551
Premium Balances in Course of Collection (not over 90 days due)	1,063,186
Accrued Interest	289,759
Other Admitted Assets	80,838
Total Admitted Assets	\$78,302,789

LIABILITIES

Reserve for Claims and Claim Expenses	\$33,743,530
Reserve for Unearned Premiums	10,987,801
Funds Held under Reinsurance Treaties	2,539,017
Reserve for Commissions, Taxes and Other Liabilities	3,519,975
Capital	\$ 5,500,000
Surplus	22,012,466
Surplus to Policyholders	27,512,466
Total	\$78,302,789

Securities carried at \$6,604,359 in the above statement are deposited as required by law. Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners. If bonds and stocks, including those owned by affiliates, were valued at market quotations, Surplus to Policyholders would be \$27,570,772.

**Casualty • Fidelity • Surety
Accident & Health**

NORTH STAR REINSURANCE CORPORATION

Financial Statement, December 31, 1953

ASSETS

Cash in Banks and Office	\$ 2,244,931
Investments:	
United States Government Bonds	\$12,683,652
Other Bonds	9,175,436
Preferred Stocks	3,390,750
Common Stocks	2,364,461
Total	27,614,299
Premium Balances in Course of Collection (not over 90 days due)	1,277,601
Accrued Interest	114,949
Other Admitted Assets	491,035
Total Admitted Assets	\$31,745,815

LIABILITIES

Reserve for Claims and Claim Expenses	\$ 2,982,255
Reserve for Unearned Premiums	14,693,208
Funds Held under Reinsurance Treaties	68,462
Reserve for Commissions, Taxes and Other Liabilities	3,010,079
Capital	\$1,300,000
Surplus	9,691,811
Surplus to Policyholders	10,991,811
Total	\$31,745,815

Securities carried at \$641,029 in the above statement are deposited as required by law. Bonds and stocks owned are valued in accordance with the requirements of the National Association of Insurance Commissioners. If bonds and stocks were valued at market quotations, Surplus to Policyholders would be \$10,967,241.

**Fire • Inland Marine
Ocean Marine**

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*Director of General Reinsurance Corporation only.

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THURSDAY, MARCH 25, 1954



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You'll find it easy to strike up the band for Inland Marine in your community. Be sure and call on your Travelers Field Man to help you get started.

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700 Jam Midwest Conference, Elect H. N. Fullington

Agents at Louisville Hail Defeat of Compulsory in New York

By JAMES C. O'CONNOR
LOUISVILLE—With over 700 registered, the midwest territorial conference of National Assn. of Insurance Agents elected H. N. Fullington, Wichita, chairman at the close of its two-day meeting here this week. He succeeds A. G. Harrison, Louisville, who won the applause of everyone by his smooth handling of the crowded program.



H. N. Fullington

L. D. Engberg, St. Paul, moved into the second slot as first vice-chairman and heir apparent and C. H. Eichhorn, Columbus, became second vice-chairman. The 1955 meeting will be at Wichita April 18 and 19, with the Allis hotel as headquarters. Under the NAIA rotation policy, the national board of state directors will hold its midyear meeting there at that time. The midwest group will go to St. Paul in 1956 and Columbus in 1957.

Mr. Fullington, who is a partner in the well-known Dulaney, Johnston and Priest agency, became associated with the agency as a solicitor a year before graduating from University of Wichita in 1929. He has been president of Kansas Assn. of Insurance Agents and Wichita Assn. of Insurance Agents and active in University of Wichita affairs.

The program offered a variety of subjects and each session was jammed. There was jubilation over the defeat of the compulsory automobile liability insurance proposal in New York two days previously, which was heightened by the appearance on the program of J. A. Neumann, Jamaica, N. Y. NAIA vice-president and a leader in the New York battle.

Addresses of welcome were given by Commissioner Goebel of Kentucky, C. H. Moore, Bowling Green, president Kentucky Assn. of Insurance Agents, and J. W. Henning, president Louisville Board of Insurance Agents. The report of the conference committee was presented by J. L. Ashton, Milwaukee. The conference committee is much older than the midwest territorial conference, being led for many years by the late George W. Carter of Detroit, and at last year's meeting there was much speculation about Mr. Carter's successor. Mr. Ashton has unquestionably made an impression on both agents and company executives and his report of conference progress did much to further this.

A surprise of that session was the

(CONTINUED ON PAGE 4)

Maloney Maintains 'Hands Off' Policy in N. A. Rate Case

Commissioner Maloney of California, urged by Pacific Fire Rating Bureau to prevent North America from its independent filing and partial resignation of subscription to the bureau, has stated that California's nonfiling rating law does not require his action and that he does not feel there is any requirement in the law to prohibit the company from establishing independent dwelling rates.

The bureau's conception of its rates as being common law copyright was something that it and the company must hash out by themselves and is not a matter for his department, the commissioner added. This common law angle to the case had brought a charge of "piracy" from New York Fire Insurance Rating Org. against North America.

Hearing March 30 on Policy Fee Discontinuance in Okla.

Public hearing has been called for Tuesday, March 30, by Oklahoma Insurance Board on its order of Feb. 17 which directed the discontinuance of membership and/or policy fee use in Oklahoma as of March 31.

At least five affected companies were sent notice by the board and are expected to have representatives at the hearing. They are: State Farm Mutual, Oklahoma Farm Bureau Mutual, Farmers group of Los Angeles, National Farmers Union Property & Casualty of Salt Lake City, and the Great Central of Peoria.

NAIA Ready for Big Seattle Conference

Plans have been pretty well completed for the annual meeting of National Board of State Directors of National Assn. of Insurance Agents in Seattle Apr. 12-14. There are a number of subjects on the agenda for consideration by the board, among them the following:

Request for affiliation by Alaska association, and reports of the finance committee by Harry T. Minister of Columbus, O.; Washington office by Maurice G. Herndon, the manager; the practices committee of the board by Morton V. V. White, Allentown, Pa., and public relations by Kenneth Ross of Arkansas City, Kan.

Also, reports on headquarters action taken on resolutions adopted at the 1953 annual convention, by John F. Neville, executive secretary, and general counsel of NAIA; on the commissioners' midyear meeting by Robert Maxwell of Texarkana, Ark.; Saskatchewan Guarantee & Fidelity by Everett North of Billings, Mont.; on automobile insurance by Joseph A. Neumann, Jamaica, L. I., chairman of a special NAIA committee on this subject; on preparations for the annual convention in Chicago Oct. 4-7 by Donald W. Perin of the staff; on federal crop insurance; on multiple peril and package policies by E. J. Seymour, NAIA president, and Archie M. Slawsky of Nashua, N. H., and on the Fire & Casualty Co. of Connecticut filing in Florida by L. P. McCord of Jacksonville.

Compulsory Auto Is Defeated at 11th Hour in N. Y.

Senate Gives It the Coup de Grace; Issue Regarded as Still Very Lively

NEW YORK—The compulsory automobile insurance legislation was defeated in the New York senate in the closing hours of the legislature, first by a narrow vote of 29 to 26, and then the following day, on reconsideration, by the more substantial margin of 26 to 19. Twenty-nine votes were needed for passage in the senate. This action came after the assembly adopted the measure by a vote of 91 to 54.

This is the second failure of the Dewey administration to get through compulsory legislation, and there was some discussion immediately after the defeat of the measure that the governor would call a special session to try again. However, this was not regarded as too likely in view of the fact that the Democrats in the assembly claimed the credit for the bill's passage in the house, and the Democrats in the senate made it clear by their action that they were not going to build Governor Dewey's prestige by passing his measure. The Republicans in both houses were about evenly divided on the matter, which meant that the Dewey administration had to secure considerable Democratic support in order to pass the legislation, and presumably have to do so in a special session.

The fight has been a bitter one. It is doubtful if any previous state legislative struggle has been watched so closely by so many in the insurance business across the country. The influence on other states of action in New York on legislative and regulatory matters is widely recognized, and many in the business felt certain that if compulsory were adopted here, it would sway legislators in several other of the more populous states in favor of the compulsory rather promptly.

Many of those who spent the last week of the legislative session in Albany, working night and day to defeat compulsory, were surprised, though agreeably so, that the measure finally went down to defeat. Passage by the assembly midweek put a lot of momentum behind the legislation, and when it was finally reported out of the senate finance committee, opponents were pretty disheartened. However, they kept at work and discovered that Governor Dewey and his administration were not the only ones who could be effective politically. All opponents fought vigorously, and it is doubtful if any particular group could have done the job without the assistance of every other group. Yet it was undoubtedly the local prestige and influence that agents of the state brought to bear in Albany that constituted the largest

(CONTINUED ON PAGE 3)

Late News Bulletins . . .

Want National Bureau to Rate All Auto Lines

LOUISVILLE—The midwest territorial conference of National Assn. of Insurance Agents closed its annual meeting here by adopting a resolution asking that National Bureau of Casualty Underwriters take over automobile physical damage rates and rules, thus being given jurisdiction over all automobile insurance.

T. K. Robinson, Memphis, was reelected conference secretary and Garnet Mason, Wichita, was elected treasurer. Frank Dunkley, Topeka, manager of Kansas Assn. of Insurance Agents, will be director of convention activities for the 1955 meeting at Wichita.

Miss. Auto Monopoly Rate Bill Seems Dead

The Mississippi senate last week decided to postpone indefinitely consideration of the controversial bill to establish monopolistic flat rates for auto liability insurance through the state insurance commission. This apparently gives an effective knock on the head to this proposal, which was opposed unanimously by the companies, although it had some agent backing.

Hearings on Health Reinsurance

WASHINGTON—The house committee on interstate and foreign commerce allotted Wednesday and Thursday for hearing Secretary Hobby and associates on health reinsurance legislation. For Friday there were scheduled representatives of American Hospital Assn., Blue Cross Commission, and R. W. Faulkner of Woodmen Central. Tentatively scheduled for next week were Life Insurance Assn. March 30 and Health & Accident Underwriters Conference March 31.

New Orleans Anti-Trust Answer April 1

Deadline for New Orleans Insurance Exchange to file an answer to the Department of Justice's anti-trust suit in Federal court has been extended to April 1. The department is reported to be investigating the situation with respect to the Baton Rouge agents organization.

(Additional Late News on Page 44.)

Insurance May Have Outgrown Need for IM Definition, Mutual Parley Told

The insurance business has perhaps outgrown the need for a definition of marine insurance, Charles T. Burney, supervisor of Transportation Insurance Rating Bureau, remarked in his address before TIRB's underwriting conference at Chicago this week. In his discussion of the new definition, Mr. Burney said it is "illogical and inconsistent in so many respects that perhaps it will have no lasting influence upon our business. At best, the new definition appears to be a makeshift expedient designed to retain some semblance of control over inland marine operations during the period of transition through which we are passing."

After reviewing some of the changes in the definition under the classes: Extension of time during which coverage may be provided on domestic shipments in storage, or after termination of transit; permission to cover insured's premises under certain so-called "personal property floater" risks; and IM coverage on a broader range of property, Mr. Burney remarked: "It is clear that the new definition is merely a system of classification for tax and statistical purposes." There is no longer any attempt to clarify the application of state insurance laws with respect to overlapping insurance powers, or to particular coverages, or to determine what coverages cannot be written. It merely indicates the kind of coverage which can be classified as marine, inland marine or transportation. The new definition apparently has no effect whatsoever upon the insuring powers granted under state licenses or charters, but rather it seems to be in the same class as the statistical plan for fire insurance which was adopted by NAIC.

"The implication is that the fine line between inland marine and multiple line insurance has all but disappeared."

The old definition had in some respects gone too far in restricting underwriting powers, he said. It was filled with amendments in the various states and there was complaint about interpretation. It was charged by some, "with justification that the committee on interpretation, an industry body controlled by a few New York insurance executives, had usurped the legal functions of the state insurance departments by restricting the license powers of inland marine underwriters."

It was claimed, Mr. Burney continued, that the committee was using its authority to curtail competitive development of IM.

The new definition does not have in its preamble any reference to interpretation of insuring powers. It is radically different, but already there is a misunderstanding of the intent, with some states tending to construe the new definition as an interpretation of the license powers which they have granted to companies. Some commissioners tend to deny approval of IM filings in which the wording does not follow exactly the wording of the definition, and Mr. Burney said the new committee on interpretation seems to show a tendency to reassert their former restriction upon underwriting authority.

The speaker went on to list some inconsistencies in the new definition, saying it is generally agreed that IM is intended to cover property that has some relation to the transportation hazard, but it is not intended to cover

real property. Yet all through the new definition there are instances of real property eligible for IM insurance—among them "instrumentalities of transportation and communication," or so-called "film floaters" which may be written to include coverage on real property which has been constructed or is being used in production of a motion picture.

The old definition specified that jewelers' block policies must exclude improvements and betterments to buildings, furniture, fixtures, tools and the machinery of the insured. Under the new definition there are specifically included coverage on the additional property in the jewelers' block policy, but other merchants whose property may now be insured under a marine policy are denied this privilege. The musical instrument dealers, camera dealers, fur dealers and equipment dealers policies must exclude coverage of moneys and securities, improvements and betterments of buildings, furniture, fixtures, tools and machinery of the insured. "In the physicians' and surgeon's floater you have the ludicrous situation whereby you can cover equipment, instruments, tools, materials, supplies and books both on and off the premises, but the doctor or dentist must buy a separate policy to cover his desk, guest chairs, bookcases and other furnishings and fixtures."

There is inconsistency in the whole program whereby certain classes of merchants are picked out as being eligible for a marine coverage, whereas merchants in closely similar businesses are not so permitted, Mr. Burney said. For example, the definition says that radio, television, record-players and combinations of these are not deemed musical instruments. Why not? he asked. And how are you going to handle a situation where a musical store also carries radio and television sets? Does it make sense to combine into a single policy all of the coverages needed for a musical instruments dealer and then tell him that he has to get a separate policy to cover his stock of radios and television sets, and that if he wants open stock burglary coverage on them that he will have to get at least two more policies?

The theory has been advanced that dealers in musical instruments, cameras, furs and agricultural implements should be permitted to buy marine policies because the type of merchandise which they sell may be insured under marine policies when it is in the hands of the ultimate purchaser. On this theory, why is it not also logical to permit a marine policy for the sports equipment dealers, for the dealer in guns, or as a matter of fact, for the dealer in any of the types of property which may be covered by the personal property floater?

Mr. Burney remarked that several insurance departments are bothered by these inconsistencies, one state having indicated it would not adopt the new definition because of the feeling the time would be short until it should be forced to permit marine policies on furniture, hardware, and grocery dealers and every other merchant who has the intelligence or knowledge to point out that he was being discriminated against.

The departments are also worried,

the speaker went on, about how to handle the rulings of the committee on interpretation. The second case to come before the new committee involved the equipment of drive-in theaters. The committee handed down a negative ruling based, it is reported, he said, upon the reasoning that such equipment is chained and bolted to steel and concrete posts and, therefore, not mobile in nature. Yet the principle of "mobility" has been violated throughout the definition. Are improvements and betterments mobile in nature? And why not consider the equipment of drive-in theaters to be instrumentalities of communication. Many states did not adopt this interpretation of the committee, and some of them had already ruled that such property is eligible for IM coverage.

For the present, the new definition clearly offers an opportunity to extend IM operations. Mr. Burney commented that new policies can be written which should be profitable from an underwriting standpoint and they will meet additional sources of service to policyholders. The broadening of the scope of IM underwriting is significant to smaller companies, because they can now write coverages which formerly required a multiple line license. He advised his audience to study thoroughly the new opportunities afforded by the definition and decide just as soon as possible what the underwriting policy is going to be when producers begin to inquire about new coverages.

First Interpretations Issued Under New Marine Definition

The committee on interpretation under the new nationwide marine definition has issued its first interpretations. The committee, appointed by National Assn. of Insurance Commissioners, presumably will issue new interpretations on all points that arise under the definition, though, also presumably, the old interpretations might not be changed where they continue to be applicable under the new definition.

One inquiry concerned insurance of tuxedos held by the owner solely for rental, not for sale or in course of manufacture. Would a policy covering such tuxedos while off insured's premises under the rental agreement and while on insured's premises incidental to such use fall within the inland marine classification under the definition? Yes.

Is insurance of loudspeakers, heaters and projectors installed and used in drive-in theatres within the definition? No.

Is it consistent with the definition to extend the personal property floater to cover actual loss of or damage to improvements, alterations or additions made by insured to buildings occupied as residences by but not owned by insured, caused by fire, lightning, windstorm, cyclone, tornado, hail, explosion, riot, riot attending a strike, smoke, damage by vehicles or aircraft? Yes.

May section E. 2. (v) (4), which pertains to equipment dealers policies, be construed as including any article having a mechanical contrivance as an essential part, such as refrigerators, freezers and similar appliances having mechanical contrivances? No.

Automobile Club Ins. Co. of Columbus, O., has moved its office from 2628 West Broad street to 3181 West Broad street.

Study Shows Many Bad Practices in N. Y. Welfare Funds

N. Y. Department Recommendation for Examination Enacted into Law

The bill was passed by the New York legislature and is expected to be signed by the governor which would give the insurance department authority to examine union welfare funds. The legislation does not authorize regulation of such funds by the state but will, it is expected, enable the insurance department to complete a thorough investigation of such funds which it started last fall and which is expected to form the base of regulatory legislation in the next session of the legislature. The bill requires trustees of welfare funds to maintain records in conformance with accepted accounting principles.

The department initiated its study of welfare funds of Building Service Employees International Union Local 32-E following disclosures of irregularities as a consequence of investigation into the raceway scandals in the state.

Superintendent Bohlinger of the insurance department filed a preliminary report on its study before the end of the legislative session just closed. In that report he points out that the books and records of 34 welfare funds, in addition to that of the building employees' fund, were examined, and that these welfare plans provide a cross section of the organized industries in the state.

In the case of 10 other welfare funds, exclusive of those examined, the department's inquiries were either blocked preemptorily or such delaying tactics were resorted to by union officials as to preclude examination of their welfare funds. One fund instituted proceedings in the New York county supreme court to test the legal right of the superintendent to examine its books and records. The books and records of eight licensed agents or brokers servicing welfare funds also were examined as part of the department survey. Some irregularities were discovered, and disciplinary proceedings have been instituted as prescribed by statute.

The department has been concerned by the lack of information available on the extent of money held by the rapidly-increasing number of employee benefit plans over which there was no supervision. Its survey therefore was designed to furnish a factual basis for evaluating the financial magnitude of such plans. Questionnaires were distributed to 714 unions, 131 insurance companies and 32,204 employers with 20 or more employees in the state. The results show that more than 1 million union members and their families are covered under union health, welfare and pension plans operating in the state and close to 1 million workers are covered for pension benefits under self-administered employer plans.

The department's investigations of such funds disclose various abuses which result in dissipation of assets. There was evidence of misuse of welfare funds by obviously excessive ratios of expenses to contributions re-

FINANCIAL STATEMENT OF INDUSTRIAL INDEMNITY COMPANY

A California Stock Company

AS AT DECEMBER 31, 1953

Condensed from statement filed with California Department of Insurance

Assets

CASH	\$ 6,830,901
Actual cash on deposit in banks. Includes \$4,100,000 interest-bearing Bank Certificates of Deposit	
BONDS	
U. S. Governments	19,570,977
Latest maturity December 15, 1958	
Municipals	1,186,300
Latest maturity December 1, 1958	
STOCKS	841,080
Common and Preferred	
PREMIUMS IN COURSE OF COLLECTION	2,794,898
None of which has been owing for more than ninety days	
REAL ESTATE OWNED	1,344,365
Land and buildings	
OTHER ASSETS	325,486

TOTAL ASSETS \$32,894,007

Liabilities

RESERVE FOR LOSSES	\$20,991,626
Computed in accordance with California In- surance Code for future payment of claims	
RESERVE FOR UNEARNED PREMIUMS	2,981,811
Premiums and deposits paid in advance and not yet earned	
RESERVE FOR TAXES	1,208,662
Reserve for payment of State and Federal Taxes, when due	
RESERVE FOR POLICYHOLDERS'	
DIVIDENDS	1,319,062
OTHER LIABILITIES	379,701
TOTAL LIABILITIES	26,880,862
CAPITAL STOCK	\$1,045,950
SURPLUS	4,967,195
SURPLUS AS REGARDS POLICYHOLDERS	6,013,145

**TOTAL LIABILITIES, CAPITAL
STOCK AND SURPLUS \$32,894,007**

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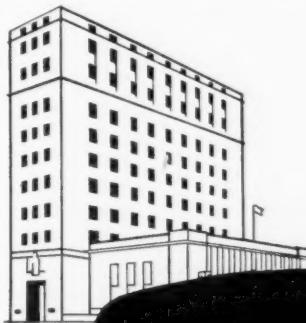
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**INDUSTRIAL
INDEMNITY
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Chicago A&H Rally of LIAMA Eventful; Shaffer Is Chairman

Harry J. Shaffer, Lincoln National, was elected chairman of LIAMA's A&H committee at that group's annual meeting at Chicago. He succeeds E. J. Faulkner, Woodmen Central.

Newly named to the committee were Harland L. Knight, Paul Revere Life; William E. Wright, Pioneer Mutual, and Robert A. Parish, Connecticut General Life.

On turning over the reins to Mr. Shaffer, Mr. Faulkner was presented with a symbolic gavel by another past chairman, Frank Vesser of General American Life. Entering the business in 1927 as an agent, Mr. Shaffer subsequently became director of agencies for Paul Revere Life before going with Lincoln National, which he now serves as 2nd vice-president.

William H. Whorf, senior consultant of LIAMA, explained how the association's research report of A&H persistency covering 1949-1951, can serve as a guide toward improving persistency ratios. Thirty-one companies contributed to the study, which was issued in 1953. It is divided into compilations of sales to male adults, female adults and juveniles.

He said a good life insurance persistency does not guarantee a good A&H persistency. Two large areas for improvement of A&H persistency are (1) in training agents and (2) in merchandising.

Train agents, he suggested, to sell policies to meet needs; to service pol-

icyowners; to sell A&H along with life insurance, because A&H has a better persistency when sold with life than when sold alone; to upgrade prospects, as, for example, business insurance; to use better sales techniques, such as programming. Merchandising, he said, includes helping policyowners take care of annual premium payments on a budget plan of monthly payments, to prevent over-due premiums, and selling more monthly premium business (in sales of commercial type policies, monthly business is second only to annual business in persistency in all income groups).

"Make A&H insurance easier to sell, easier to buy. Then you make it easier to hang onto—and that is persistency," he concluded.

Frank Vesser, General American Life, reported what his company has been doing in recruiting career minded young men to sell life and A&H through a complete and well organized franchise plan.

A detailed brochure describes the plan which is called a "lifetime security franchise" and which is "for those who possess the ability, energy and determination to succeed."

"We don't talk to a young man," he said, "unless he is willing to take the time to go over this entire brochure with us. It takes two hours. We read one paragraph aloud, he reads the next, and so on until the whole brochure is read."

The brochure tells in everyday language and as completely as possible what the young man can expect as a full-time agent under the plan. It illustrates with individual cases what agents earn in the A&H. It includes an explanation of the entire training pro-

(CONTINUED ON PAGE 40)

Kentucky WC Decision Broadens Application

Application of Kentucky's workmen's compensation act was broadened by a state court of appeals ruling that corporation executives are eligible for benefits. The high court's opinion was contrary to the dual-capacity doctrine, under which the right to recover benefits is based not on the position held but upon the kind of work an employee performed at the time of injury. Thus an officer of a corporation is not considered covered while discharging executive duties, but is if performing in a laborer's capacity.

The opinion upheld the circuit court which had granted benefits to Mrs. Eleanor Z. Green, widow of the president and general manager of Mine Service Co. The husband was killed in 1951 on the way to Bluefield, W. Va., to represent his firm at a meeting.

The court held that while Green was an executive, he still was subject to the will of the corporation and its stockholders, which had power to remove him under proper action. "If he was not its employee, we are at a loss to state for whom he was working." The opinion said Green in 1934 agreed to comply with the act, and for almost 20 years the firm carried insurance on him.

Five Named in Promotions of Boston Manufacturers

George A. Shattuck, assistant vice-president and chief engineer of Boston Manufacturers Mutual Fire, has been elected vice-president. He will continue as chief engineer also.

District managers Norman E. Harris, New England; Richard W. Newcomb, New York; and Henry D. Willard, Charlotte, were elected assistant vice-presidents.

Herbert A. Wheeler was elected assistant secretary and has assumed the duties of assistant chief underwriter.

Iowa Mutual Agents Have Annual Program Ready

The program for Iowa Assn. of Mutual Insurance Agents annual convention April 12-13 at Des Moines is now ready. Henry K. Duke, local agent at Cumberland, Md., will open the program with "How To Be a Good Insurance Agent." Paul Jones, director of public information for National Safety Council, will speak on "What's All the Shooting About," and Dr. C. M. Elliott of the University of Nebraska will talk on "Homeowners Multiple Peril Policies and All Risks Dwelling Coverage."

Other speakers will include R. J. Layton, vice-president of Rough Notes; Harry Uhler, national president of the mutual agents association; W. H. Rodda, secretary of Transportation Insurance Rating Bureau; Dr. Marcus Bach, University of Iowa; and A. Lynn Minzey, vice-president of Auto-Owners Ins. Co., Lansing, Mich., on "You Face a Challenge in 1954."

MV Inspection in N. Y.

The New York legislature passed, and the governor is expected to sign, the bill that would require semi-annual motor vehicle inspections at state licensed private garages, service stations, etc. This would include private passenger automobiles, trucks, buses, and motorcycles. The law takes effect September 1, 1955. Other states that have compulsory safety inspection of vehicles are Colorado, Delaware, District of Columbia, Maine, Massachusetts, Mississippi, New Hampshire, New Jersey, New Mexico, Pennsylvania, Utah, Texas, Vermont and Virginia.

Speakers Lined Up for Milwaukee 1-Day

Speakers have been arranged for the annual Milwaukee Insurance Day, to be sponsored April 22 by Milwaukee Board of Underwriters. John O'Connor is chairman. The event will be held at the Hotel Astor, starting with a luncheon.

M. E. Peterson, vice-president and western manager of Springfield F&M, president of Western Underwriters Assn., will talk on "Are We Sitting Ducks?"; Thomas F. Eader, assistant fidelity and surety manager for Travelers at Milwaukee, on "Fidelity for Small Business"; and A. C. Erickson, Jr., National Federation of Independent Business, Washington, on "Who Believes in Independent Enterprise."

Indiana Casualty Adjusters Name C. M. Allen President

C. M. Allen, Hartford Accident, has been elected president of Indiana Casualty Adjusters Assn. The 1st vice-president is Hale Laswell, Lumbermen's Mutual Casualty; 2nd vice-president, W. K. Vandiver, Ohio Casualty, and secretary-treasurer, J. D. Harvey, Fidelity Mutual.

Parkinson to United, Ill., as Aid to President

Nellis P. Parkinson, Illinois director of insurance from 1944 to 1949, has joined the home office of United of Chicago as assistant to President J. R. Hogan.

After 17 years as an agent at Decatur, Ill., for Mutual Benefit Life, Mr. Parkinson in 1941 joined the Illinois department, serving as assistant director, chief deputy and director. He was secretary of National Assn. of Insurance Commissioners in 1947.

More recently Mr. Parkinson was with Illinois Bankers Life as vice-president and secretary, and, when Illinois Bankers was reinsured by Central Standard, he served with the latter company.

Allstate to Break Ground

Calvin Fentress, Jr., president of Allstate, and other company officials will join local civic and business leaders March 30 in a formal groundbreaking ceremony at the 21-acre, New Providence, N. J., site of the company's New Jersey branch office and eastern zone headquarters.

Also participating will be J. B. Branch, vice-president of field administration, Henry S. Moser, vice-president and general counsel, and H. M. Mereness, vice-president, eastern zone.

Construction is scheduled for completion by spring of 1955. It will be a two-story building set back from the street amid landscaped grounds, and completely air-conditioned. Off-street parking will be provided.

The following day, Hartford and West Hartford civic officials, insurance executives and businessmen, and Allstate branch office employees and their families will be guests at the formal opening and open house of the company's Hartford branch, West Hartford. Messrs. Fentress, Branch Moser and Mereness will be among the Allstate executives present for the occasion.

The open house will take place in the afternoon and feature a tour of the premises followed by a buffet served to approximately 600 guests. Following this, civic officials and businessmen will be guests of the company at a dinner at the Hartford Club.

DO YOU RECOGNIZE THIS INSURANCE BIRD?



HIGH-GEAR CRANE

(genus producerus)

Flew aimlessly after contract bond leads until he found the right blueprint: American-Associated's "Surety Bond SERVICE GUIDE for Contractors."

With this effective sales approach and American-Associated's nation-wide facilities, he's building a solid business by selling bonds to the "erector set." And because he sells 'em right, he serves 'em better!

AMERICAN-ASSOCIATED INSURANCE COMPANIES
SAINT LOUIS 2, MISSOURI



Lowe New President, Guthunz Chairman of Anchor Casualty

Anchor Casualty has advanced Henry Guthunz, president, to chairman; T. P. Lowe, executive vice-president, to president; K. M. Hough, resident vice-president at Los Angeles, to vice-



T. P. Lowe



Henry Guthunz

president and W. D. Crowther, chief claims officer, to assistant secretary.

Mr. Guthunz started with Anchor Casualty at its inception in 1927 after having operated his own local agency. He was elected president in 1946.

Mr. Lowe entered the business in 1933 with Anchor Casualty on graduation from the Wharton school at University of Pennsylvania. He opened the company's Pacific Coast department in 1941 and was elected resident vice-president at Los Angeles in 1945. He was made executive vice-president in 1951 and has been a director since 1950. Mr. Lowe is a CPCU.

Mr. Hough, a graduate of University of Minnesota law school, has been with the company since 1934 and was elected resident vice-president at Los Angeles in 1950.

Mr. Crowther started in the legal department in 1935 and is a graduate of St. Paul College of Law.

Joe Hunt Has Backing for Okla. Commissioner

One of the candidate possibilities for Oklahoma insurance commissioner at the November election is Joe B. Hunt, assistant actuary of the state insurance board.

Mr. Hunt has not announced any intention to run but there have been several "Joe B. Hunt for Insurance Commissioner" clubs formed in Oklahoma City. Mr. Hunt has to adhere to an administrative order of Governor Murray, which holds that any state employee actively engaging in political activities or making a race for office must first resign his position.

Mr. Hunt has been on the board since 1942 and has served as a rate man and for six years has been assistant actuary. Before that he was with Western Reserve Life, a Texas company.

10% Dividend to Rhode Island Creditors

Superior court Judge Curran at Providence has ordered a first, 10% dividend to creditors of the Rhode Island, which has been in receivership since 1950. The payment would be April 1 for a total of \$39,560. Excluded from the payment are creditors in Georgia, Indiana, Louisiana, South Carolina and Texas where there are ancillary receivers holding assets of the insurer.

Moral of Tulsa Is About to Disappear

Petition for liquidation of the Moral Ins. Co. of Tulsa, was filed in and approved by district court of Tulsa county last week on request of Commissioner Dickey, after further examination revealed the company was in worse shape than preliminary examination reports indicated.

A preliminary examination report had caused the company to be placed in operational receivership February 20 because of an approximate \$19,000 impairment of capital stock. This latest action changes the operational receivership to a liquidation receivership.

It has been determined by S. Barry Kind, assistant receiver, that the actual value of assets is less than book value. Moral has liabilities of \$527,767 and assets of \$353,008. Considering the \$50,000 authorized capital stock, the figures reflect a surplus deficit of \$224,759.

The court action also included cancellation of all policies as of 4:30 p.m. March 16.

Next step, according to the commissioner, is the conversion of assets to cash to be returned to policyholders on a pro rata basis. When the initial receivership was filed, it was believed that business on the books could be handled until expiration. However, further examination revealed this could not be accomplished. Moral had, on Feb. 10, ceased voluntarily to write new and renewal business because, it was reported, of a slump in the used car market. Moral wrote primarily physical damage coverage on used, financed autos.

Fletcher of Zurich Files for N. C. Commissioner

John F. Fletcher of Raleigh, special agent of Zurich, has filed as a candidate for commissioner of North Carolina, opposing Commissioner Gold, incumbent. They will oppose each other in the Democratic primary. Republican candidate, unopposed, is Fred G. Frick, local agent at Hickory. John N. Frederick of Charlotte, who had announced, failed to file.

Mr. Fletcher is a former general manager of North Carolina Auto Rate Administrative Office and Compensation Rating & Inspection Bureau of North Carolina.

Insurance Square Club of New Jersey will hold its annual dinner dance April 30 in Newark. More than 200 are expected.

Addenda to N. Y. Casualty Statistics

New York casualty business of those companies not reported in the March 18 issue is shown in the accompanying table together with a new set of totals which adds approximately \$42 million to the total direct premiums in N. Y.

	Total Prelms. and Losses \$	Work. Comp. Prelms. and Losses \$	Other Liab. Prelms. and Losses \$	Auto. Liab. Prelms. and Losses \$	Auto. P.D.L. Prelms. and Losses \$	Auto. P.H.D. Prelms. and Losses \$	Fidel. Surety Prelms. and Losses \$	Plate Glass Prelms. and Losses \$	Burg. Theft Prelms. and Losses \$
Bakers Mut.	1,795,000	1,341,714	305,811	.....	.....	.....	.....	.....	.....
.....	557,561	505,927	12,376	.....	.....	.....	.....	.....	.....
Norwich Um.	1,240,375	55,434	104,839	197,532	64,942	37,839	.....	13,619	16,434
.....	597,360	47,823	34,410	116,212	38,214	19,745	.....	5,359	6,046
Untd. Ser. Auto ..	660,359	.....	.....	305,383	106,206	215,965	.....	.....	.....
.....	217,977	.....	.....	78,797	47,984	86,827	.....	.....	.....
Zurich	12,784,411	3,323,972	1,546,703	2,667,029	854,249	81,294	.....	121,495	256,542
.....	5,789,799	727,890	868,571	1,506,811	445,268	22,071	.....	24,489	101,924

N. Y. Totals

	Direct Premiums \$	Losses Incurred \$
Workmen's comp.	289,546,800	152,177,112
Liability (not auto) ..	103,225,553	53,101,912
Auto liability	278,555,814	82,319,084
Auto PDL	95,826,546	23,160,644
Auto phys. dam.	30,336,776	20,354,766
Fidelity-Surety	15,776,370	4,842,859
Glass	7,659,034	1,348,050
Burglary	9,952,599	6,531,708
Credit	2,306,279	311,350
Boiler	5,662,309	892,058
Livestock .....	.....	93,144
A. & H.	233,571,981	144,162,913
Hospital-Medical	181,075,675	139,173,109
Total	1,253,588,870	628,408,444

ACCIDENT & HEALTH

	Direct Premiums \$	Losses Incurred \$
Equitable Society	18,814,716	14,147,972
Home Life, N. Y.	845,604	389,581
Norwich Union	4,927	567
Security Mutual Life ..	3,148,508	1,781,838
Union Labor Life	2,868,258	2,093,265
Unity Life & Acc.	662,030	206,407
Zurich	3,805,218	1,825,810

Insurers' National Ads Listed for April

Following is the national advertising which fire and casualty companies have reported for April issues of the publications listed. Where no date is indicated the publication is a monthly magazine.

American Credit Indemnity—U. S. News & World Report, April 19.

American Mutual Liability—Business Week, April 10; Newsweek, April 12; Small Homes Guide; Time, April 5. Science Monitor—April 14, 28.

Central Mutual—Saturday Evening Post, April 24.

Great American—Newsweek, April 16.

Hardware Mutuals—Business Week, April 10; Farm Equipment Retailing; Hardware Retailer; Nation's Business; Newsweek, April 5; Time, April 19; U. S. News & World Report, April 16.

Hartford Group—Better Homes & Gardens; Business Week, April 17; Farm Journal; Life, April 12, 26; National Geographic; Nation's Business; Newsweek, April 5, 19; Pathfinder, The Town Journal; Saturday Evening Post, April 10, 24; Time, April 5, 19.

Hartford Steam Boiler—Newsweek, April 12; U. S. News & World Report, April 2, 30.

Home—Better Homes & Gardens; Nation's Business; Pathfinder, The Town Journal; Small Homes Guide; Successful Farming; Time, April 5.

National Board—Better Homes & Gardens, Look, April 6; This Week, April 11; Time, April 19.

U. S. F&G.—Business Week, April 10; Nation's Business; Newsweek, April 16; Time, April 5.

Hawkeye-Security Has Gain in All Departments

Hawkeye-Security and Industrial of Des Moines, showed gains in all departments last year. The new annual statement shows Hawkeye-Security had premiums written of \$9,223,724, total assets of \$7,707,361, and surplus to policy holders of \$2,112,842. The company now operates in 23 states.

Industrial had gross premiums of \$7,949,869, assets of \$11,013,085, surplus \$11,013,085, and surplus to policyholders of \$2,554,400. The company now is in 30 states.

Robert Forrest has been named resident adjuster for General Adjustment Bureau at Moses Lake, Wash. He has had headquarters at Wenatchee.

Fireman's Fund's SHO Strong in Midwest, Others Using It

Fireman's Fund's special homeowners comprehensive policy, which it introduced on the West Coast two years ago and which is now being approved for use in eastern states, is reported selling very well in the midwest. Success of the policy has attracted other insurers to make the same filing in some midwest jurisdictions. These include Aetna Fire, Banker's & Shippers, National of Hartford, National Union, Northern of N. Y., and Pacific National.

The coverage as filed by Fireman's Fund has been approved for use in Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Nebraska, North Dakota, Oklahoma, South Dakota, Tennessee and Wisconsin. The rate is the basic fire, extended coverage and additional EC rates plus a loading for the all risk features of the coverage. These loadings are 6 cents in Illinois, Indiana, Oklahoma and South Dakota, 8 cents in Iowa, Kentucky, Michigan, and Tennessee, 12 cents in Minnesota, 4 cents in Nebraska, 14 cents in North Dakota, and 5 cents in Wisconsin.

The policy has a \$50 deductible which is waived for 4 cents (Oklahoma 4.5 cents), with a minimum of \$20 for this feature. The policy is available when the SHO represents at least 50% of the insurance on the property.

Carson Elected V.P. of Fireman's Fund Indem.

Ellis H. Carson, president of National Surety and National Surety Marine, has been elected a vice-president of Fireman's Fund Indemnity and Home F&M. National Surety and its running mate were purchased by Fireman's Fund recently.

Mr. Carson started with National Surety in 1948 as vice-president, and six months later was named executive vice-president and a member of the executive committee. He became president in 1949. He was with Royal-Liverpool group in England from 1923 to 1938, and was assistant U. S. manager and vice-president for that group from 1938 to 1948.

Bill to Strengthen FR Law Has Good Chance in Mich.

LANSING—The Michigan house ways and means committee has reported favorably to the floor a bill to require reports to the department of state under the financial responsibility act of all accidents entailing property damage of \$10 or more. The measure normally would be too late for consideration, but went to the ways and means committee because it carried a small additional appropriation to defray administration costs. It is considered to have a good chance of passage and the insurance people generally are in favor of it on the theory that it will strengthen operation of the FR law.



Ellis H. Carson

HOW THE HOME HELPS AGENTS SELL FARM INSURANCE

Every Home agent stands to benefit by the advertisement at right, which will run in national magazines during March and April.

The farm market is a fertile field for insurance agents and The Home provides its producers with selling aids to help bring new business to them—a blow-up of the ad to poster size, newspaper mats for insertion in your local paper and direct mail folders. Your fieldman can get these for you.

Look for this advertisement in your magazines, point it out to your policyholders and prospects—let it help you get more of this business.

Naturally, as always, you can count on The Home, through its fieldmen, to help you in any way possible.



Poster, four colors, 18" x 24"



Newspaper mats, available in one and two column sizes



Folders, two colors, 3 1/4" x 6" and 3 1/4" x 8 1/2"



★ THE HOME ★ Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds



Meet your HOMEtown Insurance Agent



HOW TO GROW...IN A BUSINESSLIKE WAY

Crops don't just grow like Topsy—not any more. Today's farmer is a real businessman—a combination weatherman, mechanic and accountant as well as a master of agriculture or animal husbandry. Even so, he faces the hazards of fire and hail that could wipe out his year's work—except that he is *protected by insurance*. That's why farmers and Home Insurance agents work hand-in-hand—partners in protection and production.

P. S.—those agents talk the farmer's language, too. That's why they make such a fine team.



Are you in this picture?

How long since you have had an expert insurance survey of your home, furnishings and personal belongings? Better do it soon—you'll be surprised at the total value of your possessions, and how little it costs to have full protection for them.

☆ Your HOMEtown Agent can serve you well—see him now!



The farmer's friend—Generations of farmers have welcomed the Home agent and the insurance protection he has brought to crops, buildings and equipment.

☆ THE HOME ☆
Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes
Casualty Insurance, Fidelity and Surety Bonds

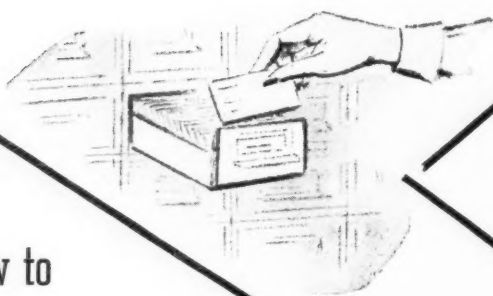


The insurance protector of American homes and the homes of American industry.

This ad will appear in full color, full page size in the April issues of:

SUCCESSFUL FARMING
TOWN JOURNAL
BETTER HOMES & GARDENS
NATION'S BUSINESS
TIME

How to Improve Your Office Management



National
Notes for
Producers

First, decide that you will. Second, develop a constant curiosity as to ways and means of making your insurance office run smoothly and better. Third, give full consideration to the adoption of the latest office systems, techniques and, wherever necessary, the proper office machines. And remember, the time and money spent on improving office systems invariably turns out to be an investment, not an expense, yielding more net profit for the agency.



NATIONAL OF HARTFORD GROUP

Fire • Marine • Casualty

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS AND TRADERS INSURANCE COMPANY
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY
UNITED NATIONAL INDEMNITY COMPANY

Western Department, Chicago
Pacific Department, San Francisco
Canadian Department, Toronto
Metropolitan Department, New York

Executive and Administrative Offices: Hartford 15, Connecticut

PERKIOMEN MUTUAL INSURANCE COMPANY

INCORPORATED 1871

COLLEGEVILLE, PENNA.

AN AGENTS' COMPANY OFFERING:

- ★ Non-Assessable Policies
- ★ Full Reserves
- ★ Exceptional Capacity

Rated A+ (Excellent) by Alfred M. Best Company, Inc.

ADMITTED IN—

ARKANSAS, DELAWARE, FLORIDA, GEORGIA, KENTUCKY, MARYLAND,
NORTH CAROLINA, OKLAHOMA, PENNSYLVANIA, SOUTH
CAROLINA, TEXAS, VIRGINIA and WEST VIRGINIA

53 Years of Friendly Service

Michigan Court Holds Provisional Fire Policy Legal

The circuit court of Wayne county (Detroit) has held that the full reporting clause, sometimes referred to as the honesty clause of a provisional reporting form fire policy, does not violate Michigan's anti-coinsurance law, and that a loss adjustment based upon the application of the penalty for under-reporting is valid and binding.

Empire Industries, Inc., of Detroit, sustained a loss by fire Feb. 29, 1952, resulting in damage in the sum of \$217,000. The last report of values filed prior to the loss stated the actual value as of Jan. 31, 1952, to be \$191,000. An audit taken immediately after the loss disclosed the actual value as of Jan. 31, to be \$225,000.

Insured's recovery, after deducting specific insurance and application of the penalty under the full reporting clause, was some \$32,000 less than the amount of loss. Proofs of loss for the amount due as computed by the adjusters were filed with the provisional policy insurers, Northern Assurance, New Hampshire Fire and American, and loss drafts duly issued and accepted by insured.

Thereafter, through attorneys Harold M. Shapero and Howard J. Ellis of Detroit, action was instituted by insured to recover some \$32,000, the amount of the penalty deficiency assessed by reason of the under-reporting in the last report filed prior to the loss.

It was claimed that under the Michigan statute, making it unlawful for an insurer to provide that its liability shall be limited or restricted by reason of the failure of the insured to cover the involved property for any certain amount or proportion of its cash value, the penalty for under-reporting was illegal and void. It was claimed that the only type of coinsurance clause permitted was that specifically set forth in a companion section of the statute, which clause could be attached, as the law then stated, only upon written application by insured. It was contended therefore that the settlement, being based upon an illegal clause, was itself illegal and without force and effect.

The companies were defended by Cashan P. Head of Detroit and Rein, Mound & Cotton of New York City, who urged, on behalf of the insurers, that the Michigan statute, aimed at coinsurance, was not intended to apply to the reporting features of the provisional fire policy and that the operation of the full reporting clause is not similar, legally or factually, to the operation of a coinsurance clause. It was further contended, on behalf of the insurers, that the argument with respect to illegality, and other claims advanced by the assured during the course of the adjustment, had been fully discussed prior to the final adjustment and were therefore foreclosed.

In an opinion filed by Circuit Judge Webster, it was held that the method for determining liability in the event of under-reporting under a provisional policy does not constitute coinsurance within the meaning of the Michigan statute and the clause was therefore not in violation of the law.

It was also held that the adjustment of the loss was properly consummated, all contentions on the part of insured having been made in the course of the

negotiations, and therefore no right to bring suit for the balance could remain. It was further held by the court that insured's claim that the under-reporting was due to the fault of the local agent for the companies was without foundation, since the proof adduced by the insurers established that the method used by insured in computing the amount of value to be reported did not accord with the alleged instructions given by the agent which insured claimed caused the reports to be inaccurate.

The decision clarifies the status of provisional reporting fire insurance in Michigan, a recent amendment to the insurance code having left the question in some doubt. The insurance code, as amended, now permits a coinsurance clause of the type prescribed in the statute, without specific written application by insured, but the prohibition against any other type of clause limiting or restricting the company's liability for failure to insure property for any certain amount or proportion of its value, appears to be unaffected. The result of the holding of Judge Webster is to declare the reporting features not within the purview of the statute.

Increase Bus Coverage

Maine has approved a bus insurance plan which provides for minimum coverage of \$10,000 for injury or death of one person, \$20,000 for injury or death of two or more persons and \$5,000 for property damage. The plan now effective is \$5,000 for one person, \$10,000 for two and \$5,000 for property damage. No effective date for the new plan has been set.

Propose WC Investigation in R. I.

A state investigation of workmen's compensation has been proposed in a bill in the Rhode Island house. Under its terms, a five-member investigating committee appointed by the governor would be authorized to investigate complaints that insurance companies and self-insuring employers are denying legitimate claims for compensation.

CASUALTY UNDERWRITER

A nationally known company needs a top casualty underwriter in their home office. Must know all casualty lines and retrospective rating plans. Salary \$10,000.

Send your qualification confidentially to:
Guy Ferguson

fergason
PERSONNEL
330 S. Wells St. Chicago 6, Ill.
HARRISON 7-9040

LET US BE YOUR STAT DEPARTMENT

- Complete
- Insurance
- Service

TABULATING SERVICES, INC.

1125 Board of Trade Bldg.
Kansas City, Mo. VI. 4131

No Appeal in Minn. Case on Need to Read the Policy

MINNEAPOLIS—There will be no appeal from the decision in Hennepin county district court in which Judge Paul S. Carroll held recently that it is not necessary under the Minnesota law for a person receiving a policy to read it carefully in order to determine whether it covers the risks requested.

The decision attracted widespread insurance attention, and it was hoped in some quarters that the case would be taken to a higher court. However, Mutual Service Cooperative Agency, the defendant, has taken the stand that its responsibility to the public and the business requires an acceptance of the decision without appeal. The agency holds that since the decision affects this case alone, it does not set a precedent for other cases possibly more important. The case was tried on the theory of negligence and not on the theory of contract.

The court had ordered the agency to pay Herbert Stulberg, a traveling salesman, \$756 for theft of personal property from his car. Stulberg claimed he ordered a PPF that would cover all his personal property, including samples and sample cases carried on the road. He was issued a policy in Tri-State Mutual Grain Dealers Fire of Luverne, Minn., and the company denied liability after a loss.

The court said Tri-State was not liable, but the agency was since it was negligent in not furnishing the type of protection requested by Stulberg. The judge went on to say it was not necessary for Stulberg to read his policy carefully to determine if the risk he requested actually was covered.

New A&H Company Formed in Rockford

A new A&H company—Income Indemnity Ins. Co. of Rockford (Ill.)—capitalized for \$100,000 with a surplus of \$155,000, held its first stockholders' meeting last week and elected officers and directors. Lee Crouch, one of the three original incorporators was elected president and a director. H. J. Couture was named vice-president and director of agencies. Ernest L. Swarts, industrial designer, is treasurer and a director. Secretary and board chairman is L. E. Caster, president of Keig-Stevens Baking Co., and a partner in Caster Motor Sales & Service. He organized and is now president of Illinois Hospital Service, Inc. (Blue Cross) and of Northern Illinois Medical Service, Inc. (Blue Shield).

Buckeye Union Casualty Elects Saas, Haverick

Buckeye Union Casualty Co., Columbus, O., has elected Fred C. Saas and Donald R. Haverick as vice-presidents. Mr. Saas is claim manager and Mr. Haverick is manager of the general liability department. One additional director, Mr. Haverick, was elected by stockholders of the affiliated Buckeye Union Fire Co. Frederick Taggart was elected assistant underwriting manager of the fire company.

Premium income of Buckeye Union Casualty last year totaled \$17,939,615, an increase of \$3,166,693. President Frederick Jones reported. Assets were \$21,878,358, an increase of \$4,478,323. Surplus to policyholders was up \$1,-

090,214, totaling \$5,624,808.

Premium income of Buckeye Union Fire was \$5,302,345, an increase of \$804,656. Assets were \$6,524,633, an increase of \$1,194,521. Surplus to policyholders was up \$384,497, totaling \$1,824,506.

Minnesota Buyers Meet

MINNEAPOLIS—Business interruption insurance was the topic at the March 23 dinner meeting of the Minnesota chapter of the National Insurance Buyers Assn. M. E. Newman was the speaker.

Territorial Changes, New Eastern Division for North British

A new eastern department encompassing all New York and New Jersey business, other than New York City suburban, has been established by North British group under the jurisdiction of Secretary P. A. deGruchy, assisted by General Agents J. J. Casey and R. O. Meyer.

Supervision of New York suburban

business is transferred to the metropolitan department under supervision of Secretary K. W. O'Leary. Management of western Pennsylvania business has been transferred to the Philadelphia department directed by Secretary S. R. Howard and West Virginia business is now under supervision of the central-western department headed by Secretary H. V. Tisdale at the home office. The changes have come as a result of the retirement of Robert T. Stewart as middle department secretary.

1953 RECORD OF PERFORMANCE

Figures for the Past Year Furnish Proof of Continued ADT Protection Efficiency

The accompanying statistical analysis of ADT performance during 1953 and for the past ten years furnishes impressive evidence of the efficacy of ADT Central Station Protection Services in establishing a high degree of immunity from fire and burglary losses.

It is essential to consider that this record represents only the protection of *tangible* assets. An important corollary is the value of ADT Services in safeguarding the *intangible* assets of our subscribers—customers, good will, services of skilled employees, valuable records and other items necessary to preserve the earning power of a going business.

Performance of this type can be obtained only through continuous supervision and proper maintenance of protective signaling systems as supplied by ADT Central Station Services. May we tell you how ADT Services can give you better protection at lower cost by safeguarding your property *automatically*.

Call our Commercial Department if we are listed in your phone book; or write to our Executive Offices.

WATCHMAN'S REPORTING AND MANUAL FIRE ALARM SERVICE

Investigations of failures of watchmen to signal Central Station on schedule . . .	228,584
Total number of signals recorded . . .	325,178,392
Watchmen's patrol efficiency . . .	99 93/100th%
Alarms from Manual Fire Alarm Boxes . . .	1,362
Reported values of properties protected . . .	\$18,907,278,000
Ratio of losses to values protected . . .	2/100ths of 1%
Fire loss immunity in 1953 . . .	99 93/100%

**AVERAGE FIRE LOSS
IMMUNITY DURING
THE PAST TEN YEARS . 99 96/100%**

ADT

Controlled Companies of
AMERICAN DISTRICT TELEGRAPH COMPANY
A NATIONWIDE ORGANIZATION

Executive Offices

155 SIXTH AVENUE • NEW YORK 13 • N. Y.

SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Supervisory alarms, indicating temporary impairment of sprinkler systems . . .	189,268
Waterflow alarms, caused by fires or serious leaks . . .	2,708
Manual fire alarms . . .	157
Reported values of properties protected . . .	\$13,088,723,000
Ratio of losses to values protected . . .	2/100th of 1%
Fire loss immunity in 1953 . . .	99 98/100%
AVERAGE FIRE LOSS IMMUNITY DURING THE PAST TEN YEARS . 99 97/100%	

BURGLAR AND HOLDUP ALARM SERVICES

Attacks on ADT Protection . . .	2,184
Entrances effected . . .	1,259
Captures as result of burglar, holdup and other emergency alarms . . .	830
Reported values of properties protected . . .	\$3,919,077,000*
Ratio of losses to values protected . . .	1/100th of 1%
Burglary loss immunity in 1953 . . .	99 99/100%
AVERAGE BURGLARY LOSS IMMUNITY DURING THE PAST TEN YEARS . 99 99/100%	

*Not including ADT-protected values in bank vaults, the U.S. Treasury, Federal Reserve Banks and branches, the U.S. Mints and the U.S. Bullion Depositories at Fort Knox, Ky., and West Point, N. Y.



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Moral Hazard Chief Problem in Foreign Fire Field, Manton Tells Pittsburgh I-Day

The tribulations as well as the promising facets of foreign fire insurance were discussed by E. A. G. Manton, president of American International Underwriters at Pittsburgh I-Day.

Almost anyone with an acceptable risk and money to pay the premium is insurable in the foreign market, he said. American insurers are now operating almost world wide except in iron curtain countries.

Chief underwriting problem in the foreign fire business is moral hazard. Physical hazards can be measured against the rate offered. AIU emphasis is increasingly on selection of local personnel for overseas branches and of reliable overseas agents who can select the right kind of business.

Foreign companies insure against fire plus the usual allied lines windstorm, riot and civil commotion, explosion, sprinkler leakage. The demand for flood and earthquake coverages is apparent.

Until about 1936 or 1937, it wasn't difficult to obtain war and revolution insurance. However, the Spanish civil war brought out the widespread damage modern warfare occasions. Today there is little or no market for such coverage. There is simply not enough insurance money in the world to pay for the potential losses. Insurable perils are limited to riot, strike and civil commotion although there have been catastrophic riot losses, such as in Bogota, a few years ago.

The term inland marine is unknown abroad, Mr. Manton said. The business embraced by the inland marine department in the U. S. is divided among fire, marine and casualty departments, usually on the basis of the principal hazard.

No standard fire policy exists for universal use. Each territory has a policy in general use by the admitted company. In some countries, such as France, the wording is prescribed by statute. In each jurisdiction the policy is normally in the language of the country, although in countries such as the Philippines and India, policies are still issued in English.

One policy, closest to being in universal use, is the U.P.C., Uniform Policy Conditions, devised by the fire offices committee (foreign) of London for overseas business. It is not used in England. Translated into several languages, it is the base on which many local policies are built.

The policy has a 100% coinsurance clause. Condition No. 12 gives the company the right to enter, take and keep possession of the premises in the event of loss, but if a company exercised that right, it could paralyze an insured's operations. The clause was designed to give the company protection in case of fraudulent claim.

Except in a few territories, such as Cuba, there are no standard extended coverage endorsements used in foreign territories. Local rules often prohibit insuring other than fire perils under a fire policy and various policy forms are used for supplemental perils. The special contingency policy, based on those of the U.P.C. form, is often used. The perils insured are added to this basic policy by endorsement which contains provision for modifying the printed conditions to the extent necessary to provide the required coverage.

There is little standardization of

forms, known abroad as schedules. Each agent or broker will usually draw up his own, inserting conditions and modifications calling for additional premiums. In some territories this is taken to absurd lengths; in France, schedules containing 30 or more pages are not uncommon.

American foreign property owners can be assured of coverage in the American market appropriate for the location of the property and approximating coverage carried on their U. S. properties.

A few advanced industrial countries employ a form of schedule rating, but the majority are not sufficiently advanced industrially to make this type of rating feasible or desirable. The typical tariff provides a risk classification and definitions of various types of construction. Rates are named for each class of risk according to the construction. Generally, there is an additional differential between risks under protection in town and in the country. Surcharges are prescribed for conflagration and congested areas. Reductions are indicated for various types of internal protection, the typical is 50% reduction for sprinklers.

This form is sometimes criticized as insufficiently scientific and not providing adequately for differences between risks in the same class. However, small territories do not justify the cost of scientific rating.

Sometimes a risk is presented because of marked superiority to others in its class or because it is a new industry, for which special rates are promulgated under a procedure foreseen in most tariffs. These special rates are often higher than those applied to similar properties in the U. S., especially when the latter are eligible for the F.I.A. because public protection available is inferior to the U. S. equivalent, local labor is less educated and skilled than its U. S. counterpart, replacements are more costly because of customs and transportation charges for imported machinery and parts or the available volume of business overseas is much smaller and underwriters do not have the same spread of risk as in the U. S.

Rates are customarily made by local associations affiliated with the fire offices committee of London whose membership consists of the principal British companies and of most of the American companies operating abroad. The F.O.C. provides technical assistance to the local associations in rating matters.

In some countries, rates are subject to government control, but generally they are freely made by the companies but increases are difficult to promulgate because of public reaction.

There are a few relatively unimportant territories where no tariff exists. In these cases, judgment rates are applied by the writing company.

Tariff riot rates in most territories provide minimum rates for conditions when labor troubles or civil strife are not expected. When conditions are disturbed, normal rates are tripled and in extreme cases coverage written for only a month at a time for new business, but insured who carry riot insurance year in and year out can expect renewal at normal rates even during an apprehensive period.

Tariff windstorm rates in territories (CONTINUED ON PAGE 40)

Agenda for Blanks Committee April 5-7

The blanks committee of National Assn. of Insurance Commissioners at its meeting in New York City April 5-7 has on its agenda the recommendation that schedule T's definition of pool and association reinsurance be changed to association and syndicate reinsurance (itemized); that there be included all lines of business in schedule O, fire, marine and allied lines as well as casualty; and that the line of business items be revised so as to present the information in more satisfactory form.

In addition, there is on the agenda a recommendation by the industry committee on uniform accounting, concurred in by National Board, that the reinsurance showing in schedule T, where premiums are allocated by states, is no longer needed. National Board points out that changes in the tax base of state premium tax laws from written premiums to direct writings and other factors make the reinsurance showing in this schedule unnecessary.

The concept of the proper base for compiling statistical experience as direct instead of written now is generally accepted, it points out. Assessments of all kinds are based on direct. The value of statistical figures compiled by the insurance departments would be enhanced by a full shift to the direct base, and confusion in applying or converting such statistics to current uses would be minimized. The saving in expense to companies would be substantial.

The New York department sees a need for changing the definition of pool and association reinsurance to association and syndicate reinsurance because it has become the practice of many companies for accounting economy to report as one-line entries two other categories of reinsurance which in many cases include reinsurance assumed from unauthorized companies for many states. Since many states tax unauthorized reinsurance assumed, failure to report it has resulted in non-payment of taxes.

The other two categories are reinsurance assumed and ceded between insurers of a group under common management or stock control and that assumed and ceded to other insurers, not members of a group or association, under treaty contracts. In the case of the second there is often no exchange of premium statistics by states.

Associations and syndicates would be defined to mean only policy issuing organizations or reinsurance exchanges formed by insurers to write or exchange reinsurance on specialized types of business or certain kinds of risks wherein direct premiums are written through or countersigned by a licensed agent for an insurer authorized in the state where the property or risk is located.

The New Jersey department suggests that the present breakdown by line of business doesn't give essential information in satisfactory form. It suggests the addition to "line of business": accident only (individual), A&H (individual), and hospital and medical and non-can would remain the same. However, instead of auto liability, liability other than auto, etc., the lines should be designated auto liability (B.I.), auto liability (P.D.), aircraft liability (B.I.), aircraft liability (P.D.), other liability (B.I.), other liability (P.D.), and aircraft physical damage would come after auto P.H.D.

instead of preceding the A&H segment as at present. Then would come other P.H.D. The expense exhibit would be changed on A&H to accord.

The committee on blanks and uniform accounting of Assn. of Casualty & Surety Co. suggests a revision in schedule N on the A&H policy experience exhibit for clarification.

Baltimore Assn. Names Chairmen

Charles H. Cover has been appointed chairman of the committee on incorporated agencies of Assn. of Insurance

Underwriters of Baltimore City. Other chairmen and their committees are Guy T. Warfield, constitution, by-laws and rules; Elmer J. Rhody, education subcommittee; E. Murray Sullivan, fire prevention and safety subcommittee; Paul E. Keedy, finance; Presley D. Bowen, legislative; James A. Griffin, Jr., program; and Daniel A. Ford, Jr., publicity and public relations.

John L. Woods, sales manager for Delta-Chicago & Southern Air Lines, showed movies at a dinner meeting of Insurance Women of Toledo.

Chicagoans Plan Panel on Leasehold Improvements

The insurance and income tax problems relating to leasehold improvements will be discussed at a panel discussion sponsored by the Chicago Bar Assn. insurance law and federal taxation committees.

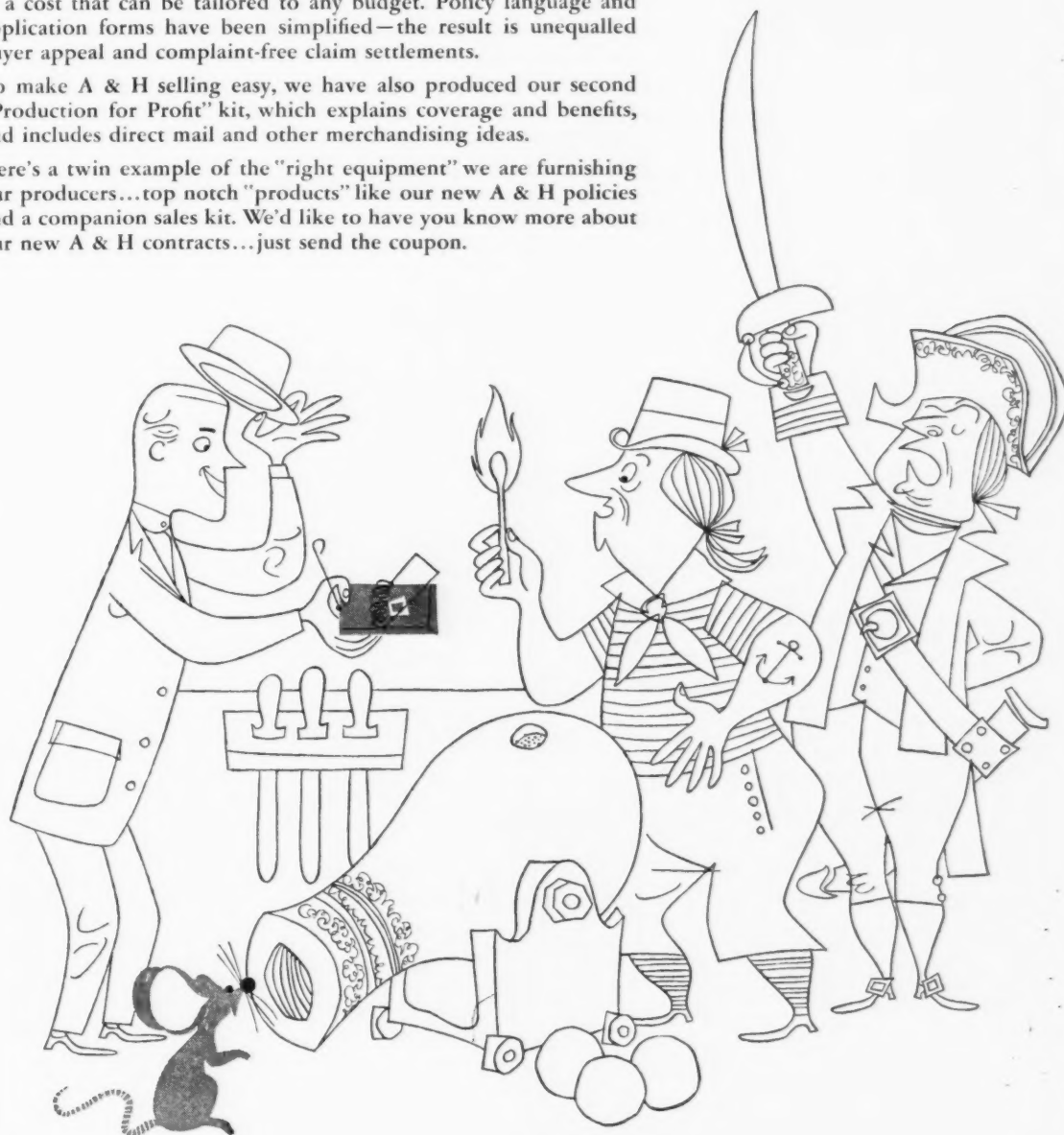
J. H. Smalley, Chicago attorney, will moderate the panel of Gordon Danforth, Moore, Case, Lyman & Hubbard; John T. Even, W. A. Alexander & Co.; Harry Anderson Policyholders Union, and Robert S. Foster, attorney.

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Minn. Agents Plan Stellar Midyear Card

ST. PAUL—Insurance men of national stature will be on the program of the midyear conference of Minnesota Assn. of Insurance Agents to be held April 6-7 at the Saint Paul hotel. Representing the National association will be Arthur M. O'Connell, member of the executive committee of NAIA, and vice-president of Thomas E. Wood, Inc., Cincinnati. Other featured speakers will be C. S. Rosensweig, editor of *Insurance Advocate*. He will speak on compulsory automobile insurance.

"Insuring Your Future" will be the topic of J. L. Ashton, vice-president of Leedom, O'Connor & Noyes Co., Milwaukee. He will also take part in the discussion at the "Early Birds" breakfast for metropolitan and large lines agents. At the "Early Birds" breakfast for rural and small lines agents, the speaker will be Glenn J. May of Spencer, Ind., chairman of the N.A.I.A. committee on rural agents.

A "home talent" speaker will be Ralph W. Keller, manager of the Minnesota Editorial Assn. His topic will be "Telling the World What We Are Doing." Robert M. Rogers of the Joseph A. Rogers agency, St. Paul, is general convention chairman. He is president of the St. Paul agents association.

Beaver, Weber Named in American Auto Changes

Albert P. Beaver has been named claims attorney at Pittsburgh for American-Associated group. He has been claims manager, but now will devote his time to the legal affairs of the department. He is a law graduate of La Salle university.

William H. Weber is the new Pittsburgh claim manager. He has been with the companies since 1936 except for five years in the army. He is a law graduate of Duquesne university.

Three Big Bonds Written

Guy F. Atkinson Co., Ostrander Construction Co., and J. A. Jones Construction Co., all of San Francisco, as joint venturers, have been awarded a contract by the U. S. Engineers, at a price of \$2,057,080 for the installation of embedded turbine parts, concrete work in power house and construction of 230kv switch structure at the McNary Dam project, in Oregon. Fidelity & Deposit of Maryland for Atkinson and Ostrander and Aetna Casualty for Jones, are sureties on the work.

Ben C. Gerwick, Inc., San Francisco, has been awarded the contract for the general construction, and C. Norman Peterson of Berkeley, Calif., for piping at the Union Oil Co. T shaped pier at the Marine Oils Terminal, Oileum, Calif., at an estimated price of \$5 million. Massachusetts Bonding is on the risk for Gerwick.

Oregon Buyers Elect

Oregon chapter of National Insurance Buyers Assn. has elected William J. Jones, insurance officer of the First National Bank of Portland, president. Other new officers include: E. W. Benson, Interstate Tractor Co., vice-president; Ralph E. Klein, Iron Fireman, secretary-treasurer, and W. B. Morrow, Hyster Co., director for a two-year term.

Cincinnati Buyers Meet April 7

CINCINNATI—W. H. Wagner, vice-president W. E. Lord Co., will speak on "Unsuspected Liability" at the Cincinnati chapter of National Insurance Buyers Assn. meeting at the Netherland Plaza April 7.

STATEMENT OF CONDITION DECEMBER 31, 1953

ASSETS	
Cash	\$630,005.94
Cash Deposited With	
Reinsurers	95,000.00
Bonds, U. S. Government	824,605.05
Balances Due From	
Reinsurers	213,909.58
	\$1,763,520.57
Agent's Balances	
Under 90 Days	874,627.01
Stocks, Common and Preferred (Market)	663,159.17
Other Assets	856.25
TOTAL ASSETS	\$3,302,163.00

LIABILITIES	
Reserve for Unearned	
Premiums	\$1,170,434.29
Losses in Course of	
Adjustment	137,997.00
Loss Drafts Issued but still Outstanding	148,437.30
Reserve for Taxes and other Accrued	
Expenses	216,903.37
Other Liabilities	8,082.64
Current	
Liabilities	\$1,681,854.60
Funds Held Under Re-insurance Treaties	381,703.20
Deposits Received on Reinsurance	
Contracts	25,000.00
Total Liabilities	\$2,088,557.80
Capital Stock	500,000.00
Net Surplus Beyond All Liabilities	713,605.20

Surplus to Policy-holders	\$1,213,605.20
	\$3,302,163.00

1953 UNDERWRITING RESULTS

Earned Premiums	\$3,257,869.86
Incurred	
Losses ..	1,838,781.99 56.49%
Loss	
Adjustment Expense	116,263.22 3.57%
Underwriting Expense (Including Com-missions)	1,222,839.49 37.53%
	\$3,177,884.70 97.54%
Underwriting Profit ...	79,985.16 2.46%



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Four U.S.F.&G. Officers Retiring

Four officers of U. S. F. & G. are retiring this month under the company's pension plan. They are Edwin W. Levering, Jr., executive vice-president in charge of the financial investment department; Frank Fisher, Jr., assistant vice-president, and superintendent of the safety engineering department; William J. McFeely, assistant secretary and superintendent of judicial underwriting; and A. Byron Crisp, assistant secretary and administrative assistant of fire and marine.

Mr. Levering, who will be succeeded by Jesse H. Peek, remains as a member of the board. He began in insurance in 1898 with the old National Bank of Commerce and in 1905 became a partner with Baker, Watts & Co., bankers and brokers in New York City. He joined U. S. F. & G. in 1928 as executive vice-president, a member of the board and chairman of the finance committee, he had dual duties with Fidelity & Guaranty until its merger with the parent organization two years ago.

John T. West, assistant superintendent, succeeds Mr. Fisher, who joined the company in 1909 as superintendent of the bank bond department. He was with Fidelity & Deposit 1921-25, and in 1927 returned to U. S. F. & G., to which he was elected assistant vice-president in 1951.

Mr. McFeely entered the business in 1907 with the old United Surety and became assistant superintendent of the judicial department in 1911. He became superintendent of judicial underwriting in 1941 and in 1950 was elected assistant secretary.

Mr. Crisp was assistant secretary-treasurer of the old Maryland Motor Car Ins. Co. 1919-23 and was elected secretary of Fidelity & Guaranty in 1933 and later became assistant secretary of U.S.F.&G.

Revised Mich. Fire Safety Unit to Meet

LANSING, MICH.—Several of the speakers have been selected for the initial session of the reorganized Michigan Industrial Fire Safety committee which is to convene March 30 at Kellogg Center, Michigan State college. W. O. Hildebrand, secretary-manager, Michigan Assn. of Insurance Agents, was named chairman of the group by Gov. G. Mennen Williams to reactivate it in the wake of the disastrous General Motors corporation Hydra-Matic plant fire at Livonia. General objective of the conference is to determine whether state agencies can or should do anything toward prevention of industrial fires.

The speaker list and subjects to be discussed follows: E. J. Sestak, chief engineer, Factory Insurance Assn., "The Insurance Industry and Fire Safety"; Allen L. Cobb, chairman, industrial committee, National Fire Protection Assn. and safety director, Eastman Kodak, "The Causes of Industrial Fire Disasters"; William Palmer, executive secretary, Michigan Petroleum Industries committee and member of the industrial fire safety committee, "Flammable Liquids and Fire Safety"; Paul Keller, Rimshed-Mason Co., Detroit, and Ewald Wecker, Dow Chemical, Midland, "Production Trends and Methods". The governor also will speak on "The Social Significance of Industrial Fire Safety".

A general invitation to attend the

conference is being extended to insurance agents and company representatives. Other members of the special committee are: Commissioner Navarre of Michigan; Commissioner Childs of the Michigan State police; Commissioner Reid, Michigan department of labor, and Arnold C. Renner, chief, fire marshal's division, Michigan State Police.

Auto Check in N. Y.

The bill has been passed by the New York legislature and sent to the gov-

ernor which would require the motor vehicle commissioner to ask the MV registrant if he has liability insurance. Previously there was a law making this permissive but nothing was done about learning how many New York autoists carry insurance.

Cimarron Ins. Co. of Cimarron, Kan., has started putting out a company publication for its home office employees and agents in mimeograph form. The company mentions it had a year of expansion in 1953, increasing its capital from \$250,000 to \$500,000, with surplus going up to \$600,000.

Western Special Risk Men Hear Talk on Fire Patrol

Western Conference of Special Risk Underwriters at its March meeting heard a panel discussion by Elmer Reske, manager of Cook County Inspection Bureau and Chief Frank McAuliffe of the Chicago Fire Patrol, on operations of the fire patrol. Freeman Read of Royal Exchange was in charge.

National Insurance Underwriters of St. Louis has been licensed to re-enter Oklahoma. The company was in the state previously and withdrew in 1952.



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Blanchard Offers 11 Goals for A&H to Aim at in Its Development

Saying that he hoped that "they will not arouse principally thoughts of why nothing can be done," Ralph H. Blanchard, professor of insurance at Columbia University, offered the LIAMA A&H conference at Chicago 11 suggestions the attainment of which he feels to be highly desirable:

1. Elimination of uneconomical coverage of small losses. What is uneconomical depends on persons and circumstances. A variety of deductibles should be available. Perhaps no loss under \$25 should be covered.

2. Education of insured to think in terms of applying available premium money efficiently in protecting themselves against serious rather than easily bearable losses. Too often deductibles are presented as a means of reducing premiums. They might better be offered as a way of buying more coverage for the same premium.

3. Education of agents as advisers as well as salesmen, as service men helping the insured to get the most, not in immediate return but in protection, for his premium.

4. Reduction of expense ratios. Accomplishing the first three suggestions in any degree would help. Direct action in "rationalizing" commissions

to agent might diminish the total reward for mere salesmanship and increase the reward for service, even though commissions as percentage of premiums were reduced.

5. Extension of coverage to the broad mass of the public in amounts that meet their needs. The greatest weakness of private enterprise in comparison with governmental action is the inability of the former to reach as wide a group and to enforce minimum provision for need. Meeting the admitted problem not merely by reaching numbers but by covering over-all need is the best argument against governmental action.

6. Application of the indemnity principle. Compensating the insured for genuine loss is the basic purpose of insurance. Promises to pay specified sums on proof of specified facts of physical condition or of undergoing specified procedures is something of a perversion of that purpose.

7. Elimination of speculative provisions. Giving a prize settlement to the insured who was injured by the collapse of the outer walls of a building if he was therein at the time of the collapse carries its own comment.

8. Elimination of exclusions. Wheth-

er exclusions are accomplished by listing as such or by an incomplete list of covered causes of disability, they represent a failure of coverage and a potent source of misunderstanding. With the range of disability as a cause, the all-risk contract is the ideal contract.

9. Use of common understandable language both in contracts and in dealing with insured. In other fields marked advances have been made in rewording contracts so that their intent is understood by the layman.

10. Settlement of claims as a service to the insured rather than as mere enforcement of the contract. This implies employment of high-grade men instructed to make every reasonable effort to satisfy the claimant without being lavish or condoning fraud or gross exaggeration of claims.

11. Give the insured continuous coverage. Non-cancellable guaranteed-renewable insurance accomplishes this end within limits.

Predicting that his suggestions would be criticized as impossible, impractical, and academic, Mr. Blanchard said he would be the last to say they could be adopted in toto, now or ever.

"I offer them as guides, as indications of what, in my opinion, the business should work toward," he said. "They are intended to lead a few to consider, first, to what extent they are worthy as ends, and second to the extent that they are good, how the business may advance toward those ends."

Bugbee Launches N. Y. Protection Engineers

Percy Bugbee, general manager of National Fire Protection Assn., at the meeting of the New York chapter of Society of Fire Protection Engineers, predicted a great future for the society and for the profession of fire protection engineering, if standards and ethics of the new society are kept at their present high level. Demand for the society stemmed from the fact that various state engineering license boards require a professional society of high standing before granting any licenses.

He described the technical activities of NFPA and pointed out that its 90 odd technical committees over the past 57 years have developed sound technical standards in the field of fire protection. He described the engineering services provided by the special staff engineers in electricity, flammable liquids and gases. The fire record department of NFPA is of fundamental importance to fire protection engineers, he said.

Oppose Controlled Business

A bill introduced in the Rhode Island legislature, sponsored by Rhode Island Assn. of Insurance Agents, would stop the practice of property owners obtaining licenses to write insurance on their own property or property they control. It does not include a provision concerning licensing persons who insure the things they sell, which was opposed by automobile dealers when it was proposed last year.

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COMMENTS - TRENDS - OBSERVATIONS

Ferguson Reviews in Detail Problems and Benefits in Campus Recruiting of Men

Recruiting the college graduate for the insurance business got as thorough and enlightening a review as the subject has been given from Guy Ferguson, head of Ferguson Personnel, Chicago, in a talk before Insurance Society of Kansas City. It was an excellent piece of work and made a big hit with the audience.



Guy Ferguson

Tomorrow's executive is today's college student, he said. If today's management is to solve tomorrow's problems, it has to select men now and train them to handle the problems. The trend definitely is toward the college student.

He explained in detail how to go about attracting college graduates to the insurance business. Then he answered the questions that frequently are asked by those in the insurance business:

How many men can we expect to get? What are the starting salaries? How do insurers feel about college recruiting? What is the turnover? What is the cost of campus interviewing? How many men recruited will go into the service? What are the possibilities of a company that has never done college recruiting?

Frank S. Endicott, director of placement at Northwestern University, recently sent a questionnaire to companies that interviewed on the Northwestern campus in 1953. The 216 companies that responded hired 11,559 students from all colleges. The number of graduates hired per company ranged from two to 1,125 with an average of 53 men and five women. Seven insurers hired 54 graduates. From the June, 1954, graduating class five insurers expect to employ 55 graduates.

Of 210 companies responding to the questionnaire, six offered less than \$225 per month as a starting salary; 17 companies offered \$375 to \$400, but 12 wanted engineering graduates and the supply is half the demand, hence the higher starting salary. The average salary was \$323 for all industries. Most salaries were \$300 to \$350. Many progressive insurance companies are employing college men without business experience in this salary range.

Only the larger, more progressive companies do campus recruiting. The personnel departments of two of the companies contracted were not in favor of it but were doing it to a limited degree because management had said it should be done.

If insurers do a good selling job on the campus and have practical specifications for the jobs, they will get their

share of the graduates.

As to turnover, a large midwest multiple line insurer made a survey and found in June 1952 they employed 33 young men from campuses and 16 months later found they had only 11: 13, 40%, left for various reasons; 9, 26%, are in service. In four years ending with 1951 the company hired 43 young men, all college graduates, who had held one, two, or three positions before joining the company. Only eight of these men left the company in the four years.

The percentage of students direct from the campus who stayed with the company is in line with veterans who had not had business experience before entering military service. Were the men trying to find themselves or did the company need good training and supervision?

A large Hartford company indicated its group department had had good luck with men right out of college but preferred to hire field men after military training. A direct writing mutual which has hired college men exclusively for 25 years gets 50% direct from the campus and the other half with previous experience. Many men with some previous business experience are referred to this company by college placement officers.

A large eastern multiple line company 1946 through 1950 hired directly from more than 100 colleges more than 400 men. Its experience shows that the company could expect to retain 51% of such men into the 6th year of employment. Of the other 49%, 15% went into agencies representing the com-

pany, the others left the business or went with agencies not representing the company. This experience compares favorably with that of General Electric, which, over a 25-year period, found it could expect a 52% retention into the 6th year.

The personnel manager of this company does not regard these as normal times, that perhaps the manpower market would soon be stabilized with the college graduate more humble.

The cost of campus interviewing is estimated at all the way from \$50 to \$1,200 per person, Mr. Ferguson said. He believes the figure, covering everything including time of executives, is \$400 to \$450 per person.

He suggested not overlooking the man entering service, he will be a potential employee after duty and many students enlist upon graduation so as not to interrupt their business experience once they start. Probably 25 to 30% of graduates immediately enter service.

The company that has not done campus recruiting can get men in that way, Mr. Ferguson thinks. After all, new insurers are being formed all the time and others open up new territories—and do it successfully. A company that has not recruited can get its share of college students if it is sincere in its promises, realistic in its specifications, cooperative with the placement office and does a good sales job.

He gave a job description of the sort that companies should use: Trainee—Assistant to Senior Officer. There are three positions open in our fast growing company for men who want to learn all phases of the insurance business. Each assistant will be directly responsible to a senior officer but will spend some time learning the



John Henry Martin of Standard Forms Bureau, San Francisco, and most loyal grand gander of Blue Goose, was welcomed on a recent trip to Hawaii by Iolani Lauahini, the famous hula dancer, at a party given in his honor by Honolulu puddle of the San Francisco pond.

operations of various departments... He will do actual underwriting, settle claims, assist the sales supervisor... He will attend various training courses in the company... etc."

Interviewing usually is done Feb. 15 to May 15 for the June graduating class. He urged a planned interview, not a chin fest. Be sure to be on the campus well in advance of the first appointment to meet the placement officer. The student has a resume of his qualifications he turns in with the request for an interview, which saves time. The interviewer for the company should have a good knowledge of the school.

There are several ways to evaluate the student—his judgment, possibilities of becoming a leader, initiative, information in his major field, ability to express himself, ability to conduct himself appropriately, physical appearance.

He advised interviewers to be considerate of student's time, give him an answer at the close of the interview—invite him to the home office for further interview, reject him, or give him a definite time when he can expect to hear, in case he is a possibility. "Don't make a flat offer to take anyone from the top 10% of the class; men selected this way may not fit into the company. Look over the good undergraduates; perhaps they can be used in summers. Be sure, when the interview is over, to report back to the placement officer and give him your opinion."

Also, be sure to discuss salary with the student, give him the range. If he is invited to the home office, pay reasonable expenses such as train fare and meals away from school.



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NEW ISSUE

March 10, 1954

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Price \$57 per share

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Casualty Questions Discussed at NAIA Louisville Parley

LOUISVILLE—The questions set up by the casualty committee of National Assn. of Insurance Agents, of which J. H. Bandy of Nashville is chairman, were distributed at the midwest territorial conference here and were discussed at an open forum. This is an innovation in NAIA committee procedures and will be repeated at each of the territorial meetings this spring.

The questions are divided into general, automobile liability, auto physical damage, general liability, burglary and glass insurance. They are:

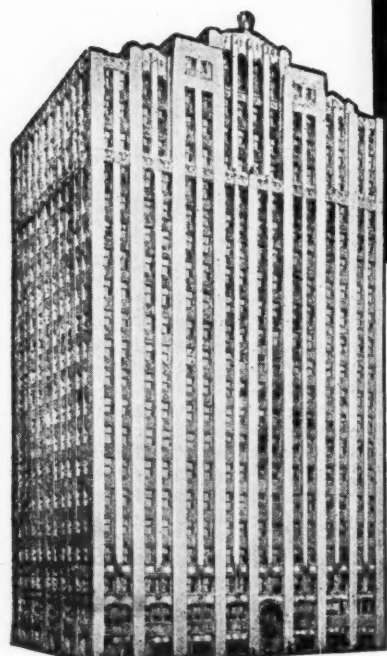
General: 1. Should the casualty committee again urge the joint forms committee of the National Bureau to actively pursue the development of standard forms and endorsements for all its member companies to obviate the necessity for those agents who represent more than one casualty company to maintain large supplies of endorsements for each company? 2. Do you feel that a 30-day automatic cancellation clause for non-payment of premium would be advisable for all casualty policies? 3. Do you have any other suggestions for changes to improve the manuals, policy forms or endorsements which would be applicable to casualty insurance generally?

Automobile liability: 1. Is the new automobile classification plan reasonably satisfactory to your office? 2. Do you feel that most risks in your territory are being properly classified under the new automobile classification plan? 3. (A) Is the new automobile classification plan enabling you to hold any risks which you would have lost? (B) Is it enabling you to obtain any new automobile business? 4. (A) Would you prefer to go back to the former three-classification plan and rates? (B) Would you prefer a merit rating plan based on the former three classifications? (C) Would you prefer a merit rating plan superimposed on the present seven classifications? 5. Do you feel that the plan would be more realistic and easier to administer if (A) the mileage factor for driving to and from business were removed, thereby combining class 1B and class 1C? (B) the "children" factor for married owners or operators under 25 were removed, thereby combining class 2A and class 2B? 6. Are there any acute weaknesses in the new automobile classification plan, which you feel should be corrected without delay? 7. (A) Is the competition of specialty companies effective in your area for automobile liability insurance? (B) If so, why? 8. (A) Do you feel that a credit on class 2 rates is warranted for drivers who have completed an accredited, behind-the-wheel, driver training course? (B) Do you believe that nationwide recognition of driver-training programs through a credit would stimulate extension of the course in our educational system? 9. Would you favor an automobile liability policy which would insure the driver instead of insuring the car as at present? 10. (A) Do you feel that the officers or employees of your insureds are being unduly penalized by the exclusion in the standard automobile liability policy as respects claims arising out of injuries received by a fellow employee or officer while an occupant of the automobile while owned

by or being used on business for the named insured? (B) Do you feel that provision should be made for deleting the exclusion by endorsement for an additional premium charge? 11. (A) Should the automobile liability policy be amended to eliminate the exclusion which voids coverage when the insured signs a "hold harmless" agreement in connection with a borrowed or rented substitute automobile? (B) If this is not adopted as a change in the policy, should provision be made for endorsing the policy to grant such coverage for a nominal additional premium? 12. (A) Do you believe that an endorsement should be provided country-wide, optionally, to afford protection against the uninsured, financially irresponsible motorists? (B) Do you think that such insurance would be a positive answer to the demand for compulsory automobile insurance and unsatisfied judgment funds? 13. (A) Indicate the approximate percentage of new, in force and renewal automobile policies being endorsed to provide extended medical payments coverage. (B) If it is not being widely sold, please indicate reasons why. 14. (A) Do you feel that the introduction by the stock agency companies of a new single limit automobile policy at this time would help in meeting the competition of specialty companies? (B) Would such a policy enable you to affect economies in your office? (C) If such a policy were introduced on a mandatory basis, would it mean the loss of any business to your office? (D) Could you sell a single limit policy at a slightly higher premium than a standard automobile policy? 15. Do you feel that a six months' automobile policy should be developed to meet the competition of specialty companies? 16. Would it simplify handling your commercial automobile business, without being unfair to the insuring public or the companies, if the rate for tractors with a fifth wheel was adequate to include coverage for semitrailers without a separate charge being made? 17. Do you have any other suggestions for changes to improve the automobile liability manual, policy forms or endorsements?

Automobile physical damage: 1. (A) Do you feel that the number of classifications for rating material damage on pleasure cars should be reduced? (B) Do you feel that a satisfactory schedule of collision premiums for private passenger cars should be devised on a "cost new" basis, similar to that used for commercial cars? (C) Would you prefer the above basis to the present system of symbols by make, age and model? (D) Would there be too much difficulty in obtaining the "cost new" of older models to make the method suggested in (A) practical? 2. (A) Does it seem logical to you that collision coverage should be automatically extended to substitute cars? (B) Have you lost collision business to specialty companies which provide such coverage? 3. Would you prefer: (A) to have the NAUA adopt the new automobile classification plan presently used by the National Bureau in most jurisdictions? (B) To have the National Bureau go back to the three class plan presently used by the NAUA in most jurisdictions? (C) To have both the NAUA and the National Bureau go their own separate ways on rating plans? 4. Do you have any other suggestions for changes to improve the manual, policy forms or endorsements?

General liability: 1. (A) Should the (CONTINUED ON PAGE 36)



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Says Public's Idea of A&H Needs Change

Whoever evaluated John Appleman's article criticizing the A&H business which appeared in *Readers Digest* knew it would appeal to the public or it never would have been printed, said Frank R. Peregrine, Chicago insurance attorney and member of the law firm of Peregrine & Bruegger, in speaking to Chicago Accident & Health Assn. at its March meeting. He mentioned that the tremendous circulation of the *Readers Digest* and its virtual worldwide success did not come about without intelligent management, and that probably the current public opinion about the A&H business was properly sensed.

"You can't go against public opinion forever, something must be done about it," Mr. Peregrine said. "It is a tremendous force and cannot be changed except by the greatest effort." He said even leaders as renowned as the late Franklin D. Roosevelt and the infamous Hitler and Mussolini did not create public opinion, but merely expressed it. Examples were the swing to the unions in 1930 and the reverse of the pendulum to the Taft-Hartley bill type of thinking in later years.

The speaker said there are those in the A&H business and other walks of life who may think that awaiting developments or letting things take their course may be the answer, but this is grossly erroneous. "It is very important to know that the great mass of people in the United States are thinking along the lines of the *Readers Digest* article and the recent similar trend by the *Scripps-Howard* newspapers—and do something about it."

The present public opinion of the A&H business is not based on hunches, but on personal experience or that of friends and acquaintances. In giving examples as to what can be done about the present situation, Mr. Peregrine mentioned other forms of insurance which at one time were not properly understood by the general public and which today enjoy a good reputation because of the efforts to do something about it. He referred particularly to early automobile policies and some of their exclusion clauses, while they now cover practically every desire of the policyholder, and the life insurance business which for so many years now has been the shining star of the insurance industry.

Another example, the compensation field, has been taken care of by law, he said, and now, more than any other form of insurance, "the A&H business has remained a galloping ground of fine-print night-riders." While there have been some laws passed relative to A&H, they have not been particularly drastic, but this may well come about and the business be run by legislation if something isn't done about public opinion.

As concrete examples for bettering the A&H business, the speaker suggested that the title of the policy give a perfectly correct impression of what it is and that the same should apply to the literature about the insurance. There should also be a very complete and proper explanation on delivery. Also, when a claim comes in, and the policyholder does not have the cover which he believed to have, he suggested calling in the agent who sold the policy to find out why the client thought so in the first place.

There should also be a reasonably liberal construction of policy provisions

in favor of the policyholder. If there is any reasonable doubt in the language, the decision should go to the policyholder, he said. Referring to the agent being called in, he did not mean that he should necessarily explain a claim denial to the policyholder, but emphasized instead that some top-level official explained why it has been denied, that there are too many cases of inexperienced persons explaining something which only leaves the policyholder with an extremely bad taste about the business.

A good idea if a claim must be de-

nied is to do so in writing, he said, so that after the customer has lost some of his original ire, he can read the explanation again. If the explanation is not sound, however, anyone should know that the policyholder should have collected the claim.

One good reason for denying a claim is if the premium does not cover it, Mr. Peregrine said. On the other hand, "If you have the money to run the risk, some way should be found to pay the claim." And by all means, if the premium does not cover, explain this fully.

Indemnity of N. A. Has Excess Bank Cover

Indemnity of North America has entered the field of excess catastrophe cover for commercial banks. Its plan and rates are somewhat similar to those of Surety Assn. of America but Indemnity of N. A. discounts 10% more the excess blanket fidelity on a discovery basis.

Edmund S. Cogswell, former Massachusetts commissioner, has been licensed as an insurance adviser.

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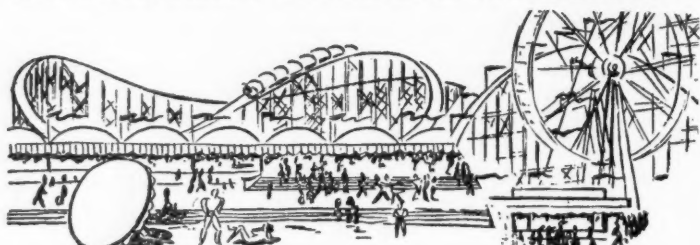
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Cade Warns Credit Insurance In Danger of Over-Regulation

Arthur J. Cade, executive vice-president of Old Republic Credit Life of Chicago and vice-president of Consumer Credit Insurance Assn., addressing Iowa State Banking Conference at Des Moines, said there is danger of over-regulation of the credit insurance business.

Numerous surveys have shown that the overwhelming percentage of the borrowing public desire credit coverage and are happy to pay for it when it is written on a bonified basis, he said. More than \$7 billion of credit life was sold last year.

"Too stringent regulation by governmental bodies could easily so complicate the business that its very foundations, simplicity of operation and economy would be destroyed, and lenders and insurance companies might find that they could no longer profitably offer the coverage, at least without an upward adjustment in rates, which would be detrimental to the borrower."

Credit Life companies were the first to recognize the need to eliminate malpractices among the fringe operators within their ranks, Mr. Cade declared. He offered some recommendations to correct abuses without "completely stifling legitimate industry." Among the practices to be eliminated he mentioned "overloading," which is either selling insurance in an amount and for a term exceeding the amount and term of indebtedness, or pyramiding policies on loans which are refinanced. The first can be eliminated by requiring that the amount and term of the policy be limited to the approximate amount and term of the loan, and the second can be avoided by providing the insured the right to cancel the old policy before a new one is issued.

He also suggested it be mandatory that the insured receive a policy, certificate or other evidence of insurance to prevent concealment of legitimate claims.

Mr. Cade said he is happy that NAIC has been cautious in refusing to endorse proposed legislations which contain certain questionable provisions. "It is our hope," he said, "that industry officials and insurance commissioners will take advantage of this period of grace to reevaluate the entire question and to ultimately develop a regulation which will provide full protection to the borrowing public without destroying the rights of industry."

King County Assn. Meets

At the February meeting of the King County Insurance Assn. in Seattle, Tom C. Sterne, vice-president and secretary of United Pacific, explained the nature and the objective of the Western Insurance Information Service, and presented a typical WIIS speech on the youthful driver problem.

Mr. Sterne was introduced by Karl Krogstad, northwest manager of the service. The purpose of the speech was to inform the association of the type of speech which is available to be delivered to local service clubs, business and civic organizations by one of the 125 company men acting as speakers for WIIS.

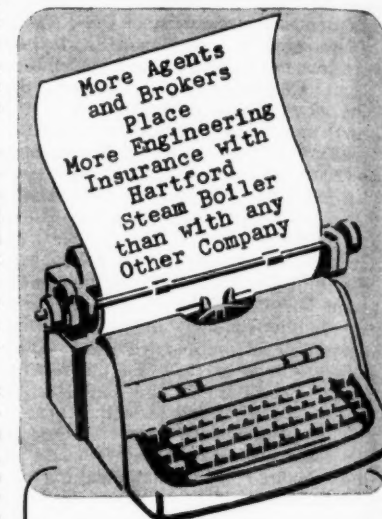
R. I. Surveys Home Accidents

A survey on home accidents is being made in Rhode Island by the state health department, Rhode Island Medical Society and Hospital Assn. of Rhode Island. The authorities are

striving to obtain more reliable statistics than are now available on the frequency of home accidents, the types of persons who have them, the seriousness of the accidents and what can be done to prevent them.

Downing Goes on His Own

Howard G. Downing has opened his own agency at Flint, Mich., to handle all lines, including life. He has been with another agency there for three years, and before that was in the Michigan field for National Fire. He is a graduate of Illinois Tech.



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Life, A&H Cover Real Handmaidens, Huebner Tells Meet

Characterizing A&H insurance and life insurance as teammates for the great majority of American families, Dr. S. S. Huebner told the Western New York A. & H. Assn. at their annual sales congress in Buffalo that they provided a very important form of "business interruption" insurance which indemnifies against the temporary loss of earning power.

By and large, both kinds of insurance deal directly with the protection of the dollar value of the human life, Dr. Huebner said. It seems quite logical, economically speaking, for life insurance companies to undertake the writing of A&H insurance in addition to their regular life insurance contracts.

Dr. Huebner, president emeritus of American College of Life Underwriters, referred to the three types of economic death—physical death, retirement death, and "the living death" (disability), and said that accident and health insurance should be regarded as an annuity. The purpose of total and permanent disability insurance is to furnish a regular life annuity of a stated amount to the victim of the living death Huebner declared, just as life insurance is designed to give a regular life annuity to the victim of compulsory retirement.

Expressing the belief that people should be educated to take care of their own minor expenses of hospitalization instead of "hanging perpetually on the fringe of almost immediate financial exhaustion when disability strikes," Dr. Huebner said the real mission of insurance should be "the indemnification of losses that amount to something—that really hurt financially—rather than the payment of small losses of a trivial character." The emphasis should be toward a larger indemnity to meet real disability income loss situations, rather than the payment of numerous tiny losses relating to only short periods of disability.

To change the general mental attitude will require much educational effort. But the time has come to convince people to take a friendly view toward the use of a generous deductible in order to get, at a fair price, the mental security associated with a larger indemnity, spread over a longer period of disability, Dr. Huebner said.

In describing life insurance and A&H insurance as being very similar in their fundamental mission, he said A&H insurance does. The total 1952 cost of accidents alone exceeded \$3 billion. He also pointed out that at age 30, the chance of long term disability (lasting three months or longer) is 2.7 times as great as the chance of dying, and at age 40 it is 2.3 times as great.

"With such a decided possibility of disability loss during the working period of life, we may well ask if there are many American families who should gamble with the heavy chance of disability, and who can afford to bypass accident and health insurance," Dr. Huebner queried.

Three main recommendations offered to the business by the speaker are: that the companies develop an "ounce of prevention" conservation service to keep people healthy, even though the public may require a lot of education to accept its value; professional underwriting standards be adopted in the business similar to those in life insurance underwriting sym-

bolized by the CLU movement, that a program of general education should be conducted to convince the nation of the importance of A & H insurance.

Under the latter, Dr. Huebner said: "A great opportunity and a duty lie before the accident and health insurance industry to indoctrinate the millions of laymen to a proper appreciation of the beneficent service of accident and health insurance to the family business and to the vocational business through the nation's educational system on both the collegiate and the high school levels."

Bill Would Let Insurers Recoup \$112,500 Loss

American Surety and certain other surety companies would be paid \$112,500 under a bill introduced in the Senate by Sen. Ives of New York. The sum represents the amount for which the companies were liable on account of the loss by Chase National Bank of 10 interest coupons covering interest due June 15, 1945, on ten \$1 million bonds of the June 1, 1945 issue of 2 1/4% U. S. Treasury bonds of 1959-62.

The sum would be paid to the surety companies as assignees of Chase Na-

tional and on condition that they execute an indemnity bond in form and amount to be determined by the Secretary of the Treasury adequately to protect the interests of the government.

Md. Casualty Shifts Two

Howard J. McGuff has been appointed resident manager in Iowa for Maryland Casualty, succeeding W. A. Browne, who takes a similar position in Memphis. Mr. McGuff has been with the company 18 years and has been casualty manager at Des Moines since 1951.

NORTH AMERICAN

CASUALTY AND SURETY

REINSURANCE

CORPORATION

OF NEW YORK

Financial Statement December 31, 1953

ADMITTED ASSETS

U. S. Government Bonds.....	\$43,160,912.89	
Canadian Government Bonds.....	103,008.30	
State and Municipal Bonds.....	669,521.61	
Canadian Province Bonds.....	122,700.25	
Railroad Bonds.....	980,820.62	
Public Utility Bonds.....	916,920.77	
Industrial and Miscellaneous Bonds..	2,802,679.53	\$48,756,563.97
Railroad Stocks.....	362,250.00	
Public Utility Stocks.....	2,844,037.00	
Bank, Trust and Insurance		
Company Stocks.....	361,520.00	
Industrial and Miscellaneous Stocks..	4,456,033.08	8,023,840.08
Mortgage Loans.....		63,122.53
Cash in Banks and Office.....		1,979,021.92
Reinsurance Balances in		
Course of Collection (Net).....		1,580,487.07
Interest Accrued.....		145,779.90
		<u>\$60,548,815.47</u>

LIABILITIES

Reserve for Outstanding Losses.....	\$22,690,620.08
Reserve for Loss Adjustment Expenses.....	1,456,227.63
Reserve for Unearned Premiums.....	15,505,411.12
Reserve for Contingent Commissions.....	344,114.17
Reserve for Funds held under Reinsurance Treaties..	5,888,644.68
Reserve for Retirement Benefits.....	319,521.95
Reserve for Taxes and Other Liabilities.....	747,945.38
Reserve for Non-Admitted Reinsurance.....	77,870.06
Excess of Schedules P and K Statutory	
and Voluntary Reserves over Case Estimates.....	457,515.02
	<u>\$47,487,870.09</u>
Capital.....	\$4,000,000.00
Surplus.....	9,060,945.38
Surplus to Policyholders.....	13,060,945.38
	<u>\$60,548,815.47</u>

Securities carried at \$1,432,646.69 in the above statement are deposited with State Departments and the Canadian Government as required by law.

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Ask \$100,000 More for Enforcement of New FR Law in Mo.

A special session of the Missouri legislature has been asked by State Revenue Director Morris for additional funds to expedite enforcement of the new financial responsibility law. He told the senate appropriations committee that processing of accident reports already is three months behind, despite the fact that the law is only six months old.

In asking the committee for an extra \$100,000 to handle the work, he pointed out that in the regular session the recommendation for the work had been placed at \$200,000 but that this figure was cut in half.

It is impossible to enforce the law on that appropriation, he said. The work in Missouri is being handled by 17 persons, while in Iowa, where there are fewer accidents, 110 employees are used in enforcing a similar law.

One present difficulty is that 63% of the accidents reported involve drivers who do not have liability insurance. The state thus spends much time in getting uninsured drivers to put up the necessary securities, or failing this, in picking up the car licenses of those who fail to comply. He said he would need at least 20 more typists and type-writers for them.

Listing Shows Nine Insurers As Excellently Managed

Nine insurers are listed in the new Manual of Excellence Management published by American Institute of Management. The institute each year makes a comparative study of some 4,000 American and Canadian companies in all branches of business, listing in a booklet those whose management practices "are worthy of a rating of excellent".

The companies are Continental and Fidelity-Phoenix of the America Fore group, Federal of Chubb & Son, Fireman's Fund, Hartford Fire, North America, Merchants Fire Assurance, St. Paul F. & M. and U.S.F.&G.

Wis. Mutuals Reelect

The more than 180 representatives attending the annual convention of Wisconsin Assn. of Town Mutual Insurance Companies at Eau Claire re-elected all officers. Emil F. Zillmer, Algoma, is the president, and Charles H. Kennedy, Madison, is executive secretary.

On the program were discussions of electrical loss prevention, reporting of suspicious fires and causes of farm fire losses.

N. J. Group Gives Award

Ex-New Jersey Fieldmen's Assn. is providing a \$25 annual award for the top student in the current class of fire risk, physical aspects, given at the school of insurance of Insurance Society of New York. H. W. Kohler of America Fore is president of the group.

Griffiths Tate Raises Tecklin

Norton P. Tecklin, who has been with the Griffiths, Tate, Lloyds Correspondents, since its inception, has been elected assistant secretary. He has been in claims and forms operations.

Eureka Cas. Ups Dividend

Eureka Casualty has increased its 1954 annual dividend from 50 to 60 cents per share and declared a quarterly dividend of 15 cents, payable March 31 to holders of record March 19.

Macon Board Reorganized

Macon (Ga.) Assn. of Insurance Agents, which has been inactive, has been reorganized. Officers are Henry Wilson, president; Walter Ashmore,

vice-president; Mrs. Eunice Kennard, secretary-treasurer, and committee chairmen, Isaac Chappell, executive; Mrs. Kennard, public relations; Gratton Smith, safety and fire prevention; Arthur Griffith, Jr., membership; Mr. Chappell, legislative; Julius Truesdel, public business; Lamar Johnson, program and education, and Mr. Ashmore, constitution.

Joins N.E. Fire Assn.

Massachusetts Bonding has joined New England Fire Insurance Rating Assn. and is preparing to write fire. It has been licensed for fire in Massachusetts.

California Meet Set for July

Unexpected developments have forced a change in dates for the California Assn. of Insurance Agents' advanced agency management conference from the week of June 20 to the week of July 25 to July 30.

Eugene A. Toale, director of education for the National assn., will serve as co-ordinator for the conference.

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St. Paul Companies Make Four Changes

St. Paul group has transferred Frank N. Hendrickson to Seattle as Washington manager to replace R. A. Nelson who goes to Los Angeles to a position of greater responsibility in the southern California bond department. Roy Eckman will take over the recent responsibilities occasioned by Mr. Hendrickson's move, and assisting him in the fire business in Oregon is Leonard Lemley, who goes to Portland from the fire engineering department in San Francisco. Messrs. Eckman and Lemley will be under the supervision of Oregon Manager, W. L. Schollander.

Loss Reserve Problems Increased by Syndicates

A complex problem of governmental supervision of fire and allied companies has arisen because sometimes such companies belong to as many as 15 or 20 underwriting syndicates, John T. Hanley told examiners of New York insurance department.

The major difficulty is to determine the percentage of an insurer's loss reserve which stems from its direct policy writings against that attributable to its participation in syndicates and other groups.

The solution adopted by the states, he indicated, is to provide for periodic syndicate examinations through National Assn. of Insurance Commissioners. When this program is fully effective, it is expected that the reserve for unpaid losses of each association will be accepted by the examiner as stated and will be included as part of the loss reserves of member companies.

Mr. Hanley, senior examiner of the property bureau of the fire and marine section of the insurance department, spoke at the regular in-training class session of the department. He also discussed examination of loss reserve in reinsurance, such as buy-back agreements and first-surplus treaties, treated the classification of losses and analyzed the principles governing accounting classifications, including loss items and salvage.

D. C. Agents Hear Catlin

Robert I. Catlin, vice-president of Aetna Casualty, spoke on current problems and future outlook for auto liability at the meeting of District of Columbia Assn. of Insurance Agents.

The association is concluding plans for I-Day April 30. The program includes forums on casualty, fire and sales problems.

Another association activity is the sponsoring of a Boston "pops" orchestra concert to benefit Washington junior fire-fighters. Val Peterson, federal civil defense administrator, honorary junior fire-fighter chairman, presented the first two membership cards.

Pate Retires in Okla.

Howard E. Pate, state agent in Oklahoma of Commercial Union group, has retired. He has been state agent since 1917. Special Agents J. R. Locke and P. M. Dorsey, who have been associated with Mr. Pate, will succeed him in supervision of this territory.

Pa. Lumbermens Reports on 1953

Pennsylvania Lumbermens Mutual on Dec. 31 had assets of \$14,973,703, an increase of \$1,130,435. Surplus to policyholders was increased by \$865,063 to reach \$7,829,925. Unearned premium reserves stood at \$5,537,308.

F. B. Hall Heads Preventionists

State Fire Prevention Assn. of Maryland-Delaware-District of Columbia has elected Frank B. Hall of America

Fore president. Ray J. Billingham of Phoenix of Connecticut, Robert A. Sheppard of America and Gordon MacLean of Royal have been named vice-presidents for Maryland, Delaware and District of Columbia, respectively. Secretary is George Olson of Aetna Fire and treasurer is Robert J. Wheaton of the Boston.

Peacock to Callahan Agency

Henry W. Peacock, Jr., has been named secretary of the M. C. Callahan agency of Detroit. Mr. Peacock has been with U.S.F.&G. at Detroit as superintendent of casualty underwriting.

Pontiac School Cover to Remain Unchanged

The Pontiac, Mich., board of education has decided to continue its so-called "five-year plan" for maintaining its insurance coverage through the Pontiac Assn. of Insurance Agents. The board renewed policies aggregating \$2,221,780 and took out an additional \$764,735 of coverage on new buildings, the premiums on the combined business amounting to \$17,799. Some \$12 million is carried on school properties.

The program calls for expiration of

one-fifth of the system's insurance annually, with the five-year contract providing protection for that period on the equivalent of a four-year premium charge.

Robert Tricker of the Mills Mutual agency questioned the board's policy of awarding the insurance contract on other than a straight bid basis, citing possibility of a 15% dividend on the basis of the standard rates.

Va. Agents Meet May 24-26

Virginia Assn. of Insurance Agents will have its annual convention May 24-26 at Virginia Beach.

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Scrutinize Many Industry Subjects at Pittsburgh I-Day

Pittsburgh I-day speakers last week covered a wide range of subjects. E. A. G. Manton, New York, president American International Underwriters, discussed the operations of American insurers in foreign nations; W. A. Rattelman, president National Union Companies, talked about Pittsburgh insurance companies, multiple peril powers and competition, and F. W. Perabo, St. Louis, vice-president American Associated Companies, discussed the claims man and public relations.

Presenting his subject in questions and answers, Mr. Manton said American International Underwriters insure anybody with an acceptable risk and the money to pay the premium.

An important consideration in foreign insurance, he said, is the currency in which losses will be paid. His organization will agree in advance to pay losses in whatever currency the insured desires, subject, of course, to special laws in some countries. However, it is a basic principle of foreign underwriting that premiums must be paid in the currency which will be used to settle losses.

Exchange controls are a problem in foreign insurance, Mr. Manton said, because they limit the freedom with which companies can move balances from one territory to another for proper operation of the spread of risk theory. He urged agents and brokers in the United States to scrutinize their existing accounts for possible foreign business.

Mr. Perabo compared the insurance adjuster of 30 years ago, whose success was based on browbeating and mesmerizing with today's claims representative, who must have intelligence, industry and integrity.

In the next round of meetings, R. B. Lawless, Hartford, superintendent of production and agency management service for Phoenix of Hartford, talked about the field of agency management, R. A. Tucker, Pittsburgh, urged attendance at home office training schools, study of periodicals, journals and bulletins having to do with the business, and N. E. Bartlett, assistant secretary, Maryland Casualty, gave a crime insurance review.

At the casualty insurance session, J. F. Harris, Hartford, assistant secretary Travelers, discussed present automobile liability rating and A. M. Battistini, Pittsburgh, assistant manager Hartford Accident, emphasized the need for diversification in agency production of casualty lines. Automobile, workmen's compensation and public liability writings have increased at a considerably more rapid pace than other lines written by casualty companies, Mr. Battistini said.

"The golden opportunity" lines written by casualty companies are burglary, fidelity, surety and personal accident and health insurance, he continued. These lines present the opportunity for diversification which is the answer to the quest for progress and prosperity. A well diversified agency is worth much more to the agent than

one in which business is concentrated in a few lines. Also, the diversified agency is more attractive to the companies, he said.

J. F. Rothmann Jr., New York, general manager Bureau of Accident and Health Underwriters, outlined and analyzed the tremendous growth in A & H. Reviewing critical articles which have appeared in magazines and newspapers in recent months, he said criticism is not new to A & H, but that the rising tide and sweeping scope of it cannot be ignored. The A & H business must remain alert to criticism and consider its public responsibilities. There must be offered a well-rounded portfolio of broad coverages, directly related to the needs of the public, in amounts which will reasonably satisfy those needs. The business has the responsibility of advertising its product well, he added.

If some long established, highly reputable insurers and producers would devote more of their resources to A & H, Mr. Rothmann said these companies could perform valuable public service simply by making themselves and their A & H programs known.

In a forum on insurance marketing problems in the tri-state area, W. J. Zwinggi, vice-president Logue Bros. & Co., said the recent Scripps-Howard A & H articles have had an unfortunate effect in the area since the Pittsburgh press carried these. Mr. Zwinggi, past president of the Pennsylvania Assn. of Insurance Agents, said that if allegations in the articles are sound, A & H must ferret them out. If the allegations are false, they must be cleared or the business will suffer the penalty. Much of the trouble comes from advertising and solicitation by mail-order carriers, Mr. Zwinggi said, adding that if a company is not admitted in a given state, it should not be permitted the use of the mails to sell its contracts to residents of that state.

D. K. Wilson, Pittsburgh, Fred S. James & Co., gave the broker's viewpoint on marketing conditions in the area. Mr. Wilson said the ultimate goal of insurance should be to supply coverage at a rate which meets the standards of equity against any exposure to financial loss to property.

J. W. Gleason, Pittsburgh, special representative Chubb & Son, said all risks dwelling policies are necessarily complex. There are difficulties about so called "underground" covers like seepage, subsidence, and backing up of sewers, because in assuming such risks, companies are almost underwriting design and engineering. There is a question, he said, whether it is desirable to put an all risks dwelling policy on a maintenance basis.

Package policies present some economies but the single expiration date produces a jumbo premium and a method must be found of spreading this out, Mr. Gleason said.

K. Dick Fronheiser, Johnstown, talked about the possibilities for automobile liability merit rating. The psychological effect of a merit scheme is its greatest appeal, he said. How much discount should be allowed and what type of claim should eliminate the credit were among questions presented in the marketing forum. R. W. Blakeslee, Pittsburgh, assistant manager American Automobile, was the moderator.

Here's Rundown on WC Plans in State Legislatures

Regarded as likely to be enacted this week by the New York legislature was a bill favored by employers to tighten the exclusive remedy provisions of the workmen's compensation law. Sponsored two years ago by Associated Industries of New York State and this year by State Insurance Fund, the bill would plug a loophole in the law and eliminate presently allowed third party recoveries against employers far in excess of workmen's compensation liability limits. This would provide a minor cut in WC costs.

Legislative developments in WC in other states include:

Indiana: Approval by Commissioner Wells of an optional discount plan affecting the larger WC risks in the state. The commissioner said the plan, already in effect, would apply on new and renewal business covering all risks producing a premium exceeding \$1,000 and would bring about substantial savings to big employers in the state. Basis of the plan is a graduation principle, with discounts increasing with premiums. The plan was adopted following a study which showed a lower cost for servicing a risk with a \$10,000 premium than for servicing risks with a premium of \$1,000 each.

Kentucky: Pending bills would increase all benefits now payable under the state WC act, and would add a new section to provide for death or disability benefits due to occupational disease. The proposal would increase maximum weekly benefits from \$26 to \$35; maximum death benefits from \$9,500 to \$14,000; burial benefit from \$300 to \$500; maximum for total disability from \$11,500 to \$15,000, and maximum for partial permanent disability from \$9,500 to \$14,000. The time limit for filing applications would be extended from one to two years after accidental injury or death.

Michigan: The senate passed and sent to the house a bill to increase WC benefits \$4 a week in all classes of injuries. Previously, the house passed and sent to the senate a bill to increase coverage to employers of two or more instead of four or more. Final action on both measures is awaited. Another bill would make it impossible to use private insurers to cover compensation risks. It would provide that all such coverages be furnished either by the state accident fund or by self-insuring facilities. Also included in the proposal is a shift of jurisdiction over the accident fund from the commissioner to the compensation commission chairman, who would collect assessments to pay losses.

Mississippi: Bills introduced in the legislature would respectively increase, revise and entirely repeal the existing WC law. Predictions have been made that no major changes in the law will come out of the legislature this year because of reported fears of advocates of the law that it might be repealed entirely if opened to floor debate.

Virginia: A bill increasing maximum WC benefits from \$25 to \$27 a week has been approved by both houses. Sponsor Edward M. Hudgins of Chesterfield, Va., estimated that total cost to the industry in increased premiums would be somewhat in excess of \$800,000 a year.

New York: Besides the proposal

discussed above, other pending measures would restore the concept by which awards would be made for occupational loss of hearing only when it has caused loss of wages. It would thus provide what employers regard as a fair and reasonable solution to a problem of fundamental importance to the industrial economy of the state.

San Antonio Club Elects

William D. Bacon has been elected president of San Antonio Insurance Club. L. C. Berry is vice-president and Julius A. Stein secretary.

Installment Plan Brings Problems to Fire Lines

Installment paying of premiums has created a serious problem for fire and allied companies in setting up an appropriate reserve. Joseph Raywid of Woodward & Fondiller, consulting actuaries, told examiners of the New York insurance department at the in-training course.

Standardized procedures have been developed in most other lines and it is essential that fire insurance also establish a regular system to bring more reliable statistics and to assist in pro-

ducing correct loss ratio data, he said. Chief methods of calculating unearned premiums are annual and monthly expiration bases. Special treatment to establish correct premium reserves is necessary in automobile financing, inland marine reporting policies and ocean cargo trip risks, he said.


John J. McCormack has been named general adjuster of Michigan Claims Service at Grand Rapids. He has been associated with Walter C. Feimster, independent adjuster at Philadelphia, and before that was with General Adjustment Bureau there.

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1842		1954
Atlantic Mutual Insurance Company		
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ADMITTED ASSETS		
Cash in Banks and in Offices	\$ 5,205,395	
Securities:		
United States Government	\$20,296,422	
Other Bonds	2,281,746	
Preferred Stocks	4,378,058	
Common Stocks	8,046,549	35,002,775
Stock of Centennial Insurance Company (owned 100%)	3,762,951	
Real Estate (Home Office Building)	3,500,000	
Premiums Receivable not over Three Months Due	1,431,927	
Other Assets	1,521,098	
Total	\$50,424,146	
LIABILITIES		
Reserves:		
Claims and Claims Expense	\$12,530,188	
Unearned Premiums	12,224,817	
Expenses and Taxes	1,271,700	
Reinsurance in Non-Admitted Companies	475,770	
Miscellaneous	712,669	\$27,215,144
Cash Dividends Declared but not Due	2,169,087	
Other Liabilities	2,427,583	
	\$31,811,814	
Reserve for Fluctuation of Security Values and other Special Reserves \$ 3,792,399		
Voluntary Reserve	4,819,933	
Guaranty Fund	3,000,000	
Surplus	7,000,000	
SURPLUS AS REGARDS POLICYHOLDERS	18,612,332	
Total	\$50,424,146	

United States Government Bonds carried at \$752,330 are deposited for purposes required by law.
Securities are carried at values prescribed by the National Convention of Insurance Commissioners. On the basis of December 31, 1953 actual market quotations for all securities owned, this Company's Total Admitted Assets would amount to \$50,526,476.

1842		1954
Centennial Insurance Company		
From reports made to the New York State Insurance Department		
ADMITTED ASSETS		
Cash in Banks and in Offices	\$ 2,079,072	
Securities:		
United States Government	\$ 9,333,123	
Other Bonds	803,813	
Preferred Stocks	156,500	10,293,436
Premiums Receivable not over Three Months Due	866,026	
Other Assets	899,288	
Total	\$14,137,822	
LIABILITIES		
Reserves:		
Claims and Claims Expense	\$ 3,387,613	
Unearned Premiums	3,836,613	
Expenses and Taxes	439,000	
Reinsurance in Non-Admitted Companies	939,773	
Miscellaneous	23,996	\$ 8,626,997
Other Liabilities	1,747,874	
	\$10,374,871	
Voluntary Reserve	\$ 672,900	
Capital	1,500,000	
Surplus	1,590,051	
SURPLUS AS REGARDS POLICYHOLDERS	3,762,951	
Total	\$14,137,822	

United States Government Bonds carried at \$1,067,767 are deposited for purposes required by law.
Securities are carried at values prescribed by the National Convention of Insurance Commissioners. On the basis of December 31, 1953 actual market quotations for all securities owned, this Company's Total Admitted Assets would amount to \$14,034,765.

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Assets, Profits Up for American Universal

William E. Sliney, assistant secretary of American Universal, was named secretary and C. Clinton MacDuff and Edgar E. Hibbard, assistant secretaries at the annual stockholders meeting.

The company reported consolidated assets of American Universal and its subsidiary, Newfoundland American, as \$6,719,000 for 1953. This is the first year the subsidiary became wholly owned through the acquisition of all its shares except directors' qualifying shares. Policyholders surplus for the two insurers for the year was \$1,400,000. Premiums written were \$8,023,000 and premiums earned \$2,886,000. Consolidated profit, before income taxes, was \$228,000 and after taxes \$147,000. Consolidated net earnings were \$2.89 a share.

Assets of American Universal increased by \$1,500,000 to \$5,983,361. Policyholders surplus increased to \$1,333,589 from \$981,474. This was caused by a favorable acceptance by stockholders of 12,500 additional shares of capital stock sold at \$20.50 a share. The sale of these shares resulted in an increase in paid-up capital of \$125,000 and an additional contribution to surplus of \$131,500. Premiums written were \$7,130,000 compared to \$4,992,000 in 1952. Profit before taxes was \$175,000, increase \$79,000.

During the year, \$35,000 additional was paid up on shares of Newfoundland American to bring paid up capital to \$300,000 and an additional \$17,500 was contributed to surplus. The investment in the company is \$492,021.

The company became licensed in Florida and Montana in 1953, and is planning to become licensed in additional states this year.

A new home office is being constructed at Providence and will be ready for occupancy soon.

AEC Possible at No Cost

The News Sheet of R. S. Paviour & Son, Rochester, N. Y., points out that some property owners are adding the new additional extended coverage endorsement to residence fire policies without paying a cent of additional premium. In fact, they are getting back some money. The original EC costs either 35 cents per \$100 for three years or 20 cents, depending upon whether the \$50 deductible feature is used. The new AEC is written with

\$50 deductible at 10 cents per \$100. By using the lower windstorm deductible rate on the EC, there is a return of 15 cents per \$100 which is five cents more than the cost of the AEC rider. Then the deductible clause is applicable to all hazards covered except the underlying fire and lightning policy. Most property owners are willing to assume the first \$50 of any miscellaneous hazards.

Cincinnati Casualty Assn. to Hold Annual Election

G. J. Burrer, manager Travelers, R. F. Lloyd, assistant manager Hartford Accident, and E. H. Schier, manager American Surety, all past presidents, are the nominating committee for Assn. of Casualty & Surety Managers of Cincinnati. The annual election will take place next month. E. C. Schoumacher, manager Maryland Casualty is now president.

J. C. O'Connor, executive editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, discussed automobile extended medical payments coverage at the regular meeting last week. Plans were discussed for the annual outing in May.

Opposes Mexican Decree

The new Mexican decree limiting insurance on shipments between Mexico and other countries to Mexican companies where the risks are those of Mexican nationals has been scorned by Joseph A. Sinclair, secretary of Commerce & Industry Assn. of New York, in a letter to Secretary of State Dulles.

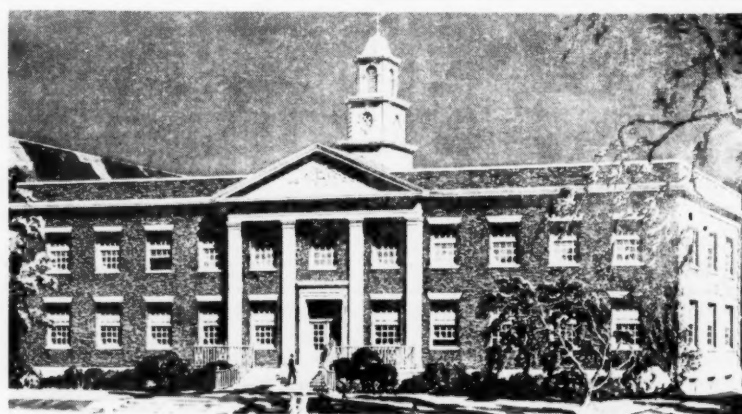
Younce to Guarantee

K. N. Younce has been appointed special agent in Michigan for Guarantee Mutual of Ohio, with headquarters in Jackson. He is a graduate of Michigan State College and has been in the local agency business in Jackson for three years. He succeeds Max Allen, who died recently.

N. Y. Agents Meet May 2-4

The annual convention of New York State Assn. of Insurance Agents will be at Syracuse May 2-4.

Bourg & Fanguie agency at Morgan City, La., has moved into a new office building equipped with modern furniture and office machines.



Home has selected East Orange, N. J., as the site of a new supervisory office. It has arranged a long term lease of a building to be constructed on Prospect street. This will be a two story and basement, fireproof, air-conditioned structure of colonial Williamsburg architecture and will contain approximately 30,000 square feet of office and work space. The facade will be enhanced by large colonial columns and a feature will be an Independence hall type tower. Fronting on Prospect street, the structure will be traditionally landscaped, with the rear area providing parking facilities for more than 80 cars. The building will add materially to the development of the Brick Church section of East Orange.

When complete in 1955, the building will house the present personnel of the Newark offices of Home and Home Indemnity. It will facilitate the service to agents and policyholders in the area. Provision will be made for the utmost comfort and pleasant working conditions for employees.

Aetna Man Covers IMIB Definition at Va. Regionals

Phillip S. May, assistant secretary of Aetna Fire group, in addressing regional meetings of Virginia Assn. of Insurance Agents, pointed to changes in the new marine definition announced last week by National Bureau and Inland Marine Insurance Bureau. His remarks only slightly touched on the actual technical changes in the definition, his main theme being an application of the "cash register" value of the new policies, and for this reason made interesting listening.

During the twenties marine and inland people "had plenty of imagination and frequently their ideas of marine and inland marine insurance didn't exactly coincide with ideas of our fire and casualty brethren" in whose opinion "the marine folks were doing too much poaching". Thus even back in those days the need for a new definition was apparent, the speaker declared.

Another fact that prompted the new definition was that abuse and competitive reasons had reduced the number of signatory companies, causing a situation which by 1953 saw many of the largest companies leave the fold, paving the way for a more difficult competitive disadvantage for the remaining writers. "By volume," he said, "only half the marine business is regulated as to rate and form."

Mr. May listed changes in the definition this way:

Shipments (import, export and domestic): More freedom has been given to those not on consignment than to those not on consignment, resulting in coverage of consigned goods for a period of 120 days. "I imagine," he said, "there is very little consignment property not turning over within 120 days and therefore this opens up for marine treatment a lot of storage coverage." It also was evident to the framers of the new definition, he said, that 30 days, heretofore specified, was too limited a period and unrealistic, satisfying only the odd consignment account.

In this respect Mr. May offered a reminder to his listeners: "The time extension at locations granted by the new definition calls for a reexamination of your customers' insurance program if he has goods and merchandise to protect away from premises owned, leased or controlled by him. Merchandise now under fire reporters should be rechecked to see whether they qualify for marine treatment. We have been examining our fire reporting business—we have already switched from some fire reporters to marine and we have acquired some new accounts and we have no doubt lost some, too."

Personal property floaters: The speaker labeled this classification the largest source of coverages and the largest premium producers and directed special attention to the physicians and surgeons' instrument floater, which he said deserves particular study in that "it has entree value to a doctor's complete account."

Machinery and equipment and building materials (installation risks): Don't overlook the business interruption or anticipated earnings on some of these installations, he said, and "keep the word installation active in your memory—it's a cash register word." Mr. May deplored the negligence with which machinery and equipment in-

stallations floaters often are treated, and said the sales possibilities in these fields too frequently are overlooked.

Processing bailee: This section, he said, encompasses a substantial variety of prospects and sizable premiums per contract, and "when it comes to processing let your imagination soar". By this he meant that processing is not limited to the textile trade, but that it embraces such operations as baking, buffing, burnishing, chroming, drilling, electroplating, engraving, galvanizing, heat treating, japanning, ma-

chining, plating, polishing, sand-blasting, etc.

Processing should mean this to the company, he said: Property being worked upon, out of the custody or control of the owner, usually will qualify inland-wise.

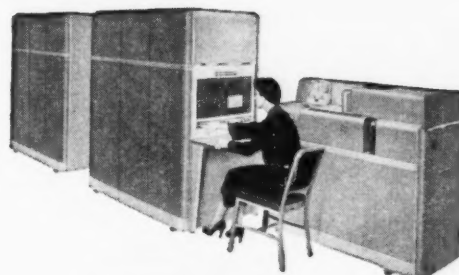
With respect to the new accounts receivable and valuable papers policies, which were mentioned last week, the speaker had this to say: "I believe you will notice more activity in these two lines with the entry of fire companies in the field."

N. J. Turns Down N. A.

North America's filing of independent fire and allied rates on dwelling lines in New Jersey has been disapproved by the New Jersey insurance department. The department indicated that filing did not conform with certain provisions of the rating law.

Named to Steering Group

George E. Levesque, broker in Boston and Essex, Mass., has been named to the executive council of Insurance Brokers Assn. of Massachusetts.



INTERNATIONAL BUSINESS MACHINES
590 Madison Avenue, New York 22, N. Y.

Among the toughest time and overhead problems in the fire and casualty insurance industry are statistical coding and premium rating or checking. These are quickly solved by IBM's powerful new magnetic drum machine, the Type 650.

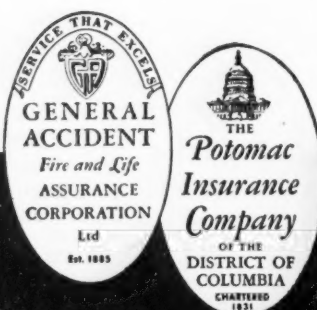
In one operation, this new machine provides almost instantaneous table look-up, automatically punches statistical codes, establishes or checks the premiums, and punches the required collection and statistical cards. For data showing how the "650"—with 20,000 positions of storage, including capacity for 2,000 operating instructions—can provide these advantages to your company, write for our booklet, "Type 650—Fire and Casualty Insurance Applications."

Mr. Agent: It's those extra things you give . . .

A talk at the weekly luncheon club . . .
work on the Community Chest drive . . .
a lively interest in local projects . . . time,
and often money, to worthwhile causes.

The *extras* you give to your Local
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Prevention . . . Safe Driver campaigns
. . . juvenile delinquency and crime
prevention work.

These are some of the extra things that
add up to a professional approach to
your business, that build prestige for
you and strengthen the American
Agency System.



MULTIPLE LINE COMPANIES

EXECUTIVE OFFICES
GENERAL BUILDINGS
PHILADELPHIA

Aetna Fire Group Names Four on West Coast

Aetna Fire Group has appointed Bill W. Lubbock superintendent of agencies to succeed George D. Young, resigned, to serve the Bay area in California with headquarters in Oakland. Mr. Lubbock, who has been supervising the North Coast field, has been with the group several years, in the office and in the field.

Albert L. Myers has been appointed casualty special agent to give field supervision to the steadily growing casualty business in the Bay area.

Charles R. Ford has been appointed special agent for the Portland, Ore., territory in association with superintendent of agencies David R. Goodell, marine special agent Frank R. Kahn and casualty special agent Ray D. Johnson. Mr. Ford has been with the Aetna since 1950, in the agency service departments at San Francisco and Los Angeles. He has just completed the group's training course in Hartford.

John W. Schiffer has been appointed special agent in western Washington with headquarters in Seattle. He trained at the San Francisco office and has been in the Seattle service office. He just completed the training school in Hartford.

New Zurich Safety Film

Zurich has put out a new film entitled "Heads You Win," a 15-minute black and white sound slide film emphasizing the safety problem in small industrial plants. This is part of the "Safety Zone" series of Zurich-American group, which now numbers approximately 70 sound slide films on safety and health subjects. Production is now under way on another film, "Wake Up," illustrating the relationship between sensible sleeping habits and efficiency and safety on the job.

Mutual Boiler Promotes Griffin

Richard P. Griffin has been appointed assistant vice-president of Mutual Boiler. A graduate of Duke University, Mr. Griffin joined the company in 1938. From 1941 to 1952 he was in charge of sales operations in the New York area. In 1952 he became manager of the middle Atlantic district.

Truck Considered "Other Car"

A judgment of \$13,000 was returned against State Farm in a federal court at Chattanooga. The claimant, W. G. Evans, who was driving a truck which struck and killed a child on a bicycle,

contended that although his insurance was on his pleasure car, the broad form drive other car clause also covered the truck. State Farm had said that a truck could not be considered a substitute for a pleasure car.

State Farm Mutual Auto Holds Des Moines Meeting

Approximately 300 attended a meeting at Des Moines of State Farm Mutual Auto and heard Read Hanback, vice-president of State Farm Life; Clark Brubaker, Iowa manager of State Farm Mutual Auto, and Myron Dean, regional director at Bloomington for State Farm.

L. D. Hogan Promoted

Iowa Mutual Hail, operated by Iowa Farm Bureau Federation, has promoted Lee D. Logan from assistant manager to manager. Formerly with Farm Bureau Fire of Wisconsin, he entered the business as special agent for Rural Mutual Fire.

Accountants to Plan Annual

Directors and committees of Insurance Accounting and Statistical Assn. will meet March 26 and 27 in New York City to complete plans for the annual conference of the association to be held on May 3-5 in Dallas.

New G.A.B. Unit at Yuma

General Adjustment Bureau has opened an office at Yuma, Ariz., with Cedric A. Gurley as branch manager. He has been with G. A. B. at Stockton, Cal.

Two Companies Share Contract

Two insurance companies sharing annual contracts for the entire fleet of municipally owned vehicles of Indianapolis are Travelers for property damage and public liability, with a bid of \$28,818 and American States for fire and storm damage, with a bid of \$2,788.

Kenney Speaks to Conn. CPCU

Roger Kenney, insurance editor of *United States Investor*, spoke at the meeting of Connecticut chapter of CPCU. He advocated that leading companies in fire and casualty close ranks against the establishment of other companies. This was the third in a series of talks highlighting the 10th anniversary of the CPCU educational movement.

Named D. C. Agency Officer

Herbert W. Brown has been named vice-president of Bowie & Anderson agency at Washington, D. C. He will direct the development of an all-line insurance organization. He has been in the business since 1938, recently has been a broker, and for several years was Washington manager and producing underwriter of American International Underwriters.

GAO Opposes Ship Valuation Bill

WASHINGTON—The general accounting office is "unequivocally and unalterably" opposed to Senate bill 1148 which deals with valuation of government war risk-insured vessels. It will be the subject of a hearing March 19 before the Senate subcommittee on water transportation.

The subcommittee has been advised by letter that Assn. of American Shipowners and American Merchant Marine Institute strongly favor the bill.

Public Service Ins. Co. of Fort Wayne has appointed John H. Kurtz supervisor of claims and production in southern Indiana.

Great American opened on March 1 a service office at Fresno, Cal., 925 North Fulton street, Fresno 4.

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EXPLOSIVE HAULERS
BEAUTY PARLOR MALPRACTICE, LAWYERS, DOCTORS MALPRACTICE IN SMALL TOWNS

LLOYDS
PRODUCE
PRODUCTS

HAUL AWAY
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Must Combat Idea Laws Can End Health Problem: Zimmerman

A significant hazard facing the public and insurance industry today is the viewpoint of those who think the nation's health problems can best be solved by legislation, subsidization or socialization, Charles J. Zimmerman, LIAMA managing director, told that group's A&H meeting this week at Chicago.

Mr. Zimmerman suggested that "a very few bad practitioners" in the A&H field today may be setting the stage for this hazard. "Unfortunately," he said, "there are some—very few, it is true—but some companies and individuals in the A&H business whose practices are subject to justifiable criticism." In the main, he said these criticisms are based on use of misleading advertising, bad claim practices, maintenance of too-low claim ratios, the sale of too limited coverage, too frequent use of rights of cancellation and the refusal to renew.

Mr. Zimmerman said he was certain the business was willing and eager to help eliminate these causes of criticism, "but we can only succeed if those responsible are willing to do their part."

Referring to those who believe the problem can be solved by governmental action, Mr. Zimmerman said "it is unfortunate there are always with us those who ignore the facts." He pointed to "all the evidence showing that government ventures into the field of health insurance have been dismal failures." He praised the companies which, "though confronted with many difficult problems", have entered the A&H field and stayed in it.

Mr. Zimmerman suggested that much public education is needed "both as to what A&H can do and what it cannot do". A major benefit of such education, he said, would be equality in doctors' charges, fees and services, regardless of whether or not an A&H policy is owned. He urged educating the public to recognize A&H is not a substitute for proper family budgeting to meet normal and nominal medical expenses.

Some companies also need to be educated to the potentialities of A&H, Mr. Zimmerman remarked. He emphasized that "in too many companies A&H is not being given proper emphasis or it is not receiving adequate attention from management. Too frequently, responsibility for the A&H program is placed in the hands of a junior rather than senior executive."

He stressed the need for "returning to the public in benefits the largest percentage of the premium dollar commensurate with safety and good business practices. If acquisition costs are greater than they need be, then costs to the public are greater than they should be."

Acknowledging that commissions are a major factor in the acquisition cost, he called the graded commission form of payment a step in the right direction. They alone, however, will do little to reduce acquisition costs unless at the same time persistency is improved. Persistency can be bettered by "eliminating some of the short-sighted and unethical practices which lead to the rewriting of business."

Mr. Zimmerman said life companies

should have integration as their eventual objective. He noted this means "the sale to the same buyer of both life insurance and A&H by the same agent at the same time."

Braswell Tenn. Supervisor

Robert D. Braswell has been named supervisor for Tennessee by Camden Fire, with offices at Knoxville. State Agent Shirley Lawrence and Special Agent Jack Redmon, Louisville, who formerly supervised Kentucky and Tennessee, will continue in Kentucky only.

Broaden Auto Security Fund Law in N. Y.

The bill has now been signed into law in New York which would extend the definition of motor vehicle accidents in the law which provides for an auto liability security fund, to include those accidents occurring out of state involving automobiles principally garaged in New York and accidents occurring within the state involving motor vehicles garaged principally outside of New York. This was the legislation that sought to correct a deficiency in the liability security fund revealed by

the Preferred Accident demise. Under the former law, the security fund, which provides for payments in case of the failure of an automobile insurer, applied only within the state's boundaries.

Automobile of Hartford Promotes Nordgren in Ill.

G. R. Nordgren has been named state agent of Automobile and Standard Fire in northern Illinois, except Cook county. He has been special agent in that area for five years.

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- 1 "Preferred Risk" plan of fire insurance . . . strong capital stock fire insurance at substantial savings to thousands of owners of preferred properties.
- 2 All-inclusive blanket liability for the business and professional man.
- 3 Householders' ultraPolicy . . . includes fire, auto, liability, personal property—coverage from almost every conceivable angle.
- 4 Farmer's and Rancher's Special Blanket Liability policy.
- 5 Modern "Pay as Protected" Premium Budget Plan.
- 6 SAFECO lower cost auto insurance for careful drivers. (SAFECO Insurance Co. of America is the newest member of the General of America Group; rapidly being expanded into new territories.)

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The General of America agent finds the going easier as competition increases. Because the General has consistently built policies and services from the insured's point of view: Better, more economical coverages, exceptionally prompt claims service, all backed by strong capital stock indemnity.

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When you establish a regional office here which serves 3 or more states, you save 80% of the premium taxes you formerly would have had to pay!

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DAYTONA BEACH, FLA.

Travelers Marks 90th Anniversary

Travelers will celebrate its 90th year in insurance April 1. The date also marks the 90th anniversary of the first accident policy in America, held by James G. Batterson, founder of the company. This first policy covered only travel accidents, but a full accident policy was written for him later the same year.

One oral agreement for travel accidents existed before the first policy was written, that brought a premium of two cents. James E. Bolter, a Hartford banker, asked Mr. Batterson the cost of insuring a walk from his home to his bank. The seven-block trip was insured for two cents.

Mr. Batterson received the idea of travel insurance from an English railroad company which sold tickets to cover accidental injury with the regular fare tickets.

After Travelers opened business, about 70 other accident companies sprang up and many of these have been absorbed by Travelers.

In its company magazine the company has reproduced some of its early advertisements in which it is pointed out that all accidents, slipping on orange peels, falling down stairs, drowning, injury by a circular saw or being run over by a team and wagon, are covered through company policies.

Seek New Ga. Licensing Law, Retain Counsel

Georgia Assn. of Insurance Agents' executive committee has decided to back a completely revised agents licensing and qualification section of the law at the next session of the legislature. The association has asked Commissioner Cravey to intervene on behalf of the agents in requesting a commissioner on workmen's compensation assigned risks.

The group has retained as general counsel John S. Bell, prominent Atlanta attorney. It has made a contribution toward securing a full time professor of property and casualty insurance at the Atlanta division of University of Georgia.

MOA Wins Bid for P&I on Maritime Ships

Marine Office of America was low bidder on protection and indemnity cover of some 27 ships of the Maritime Administration and Continental is the issuing company. The bid was \$1.95 per deadweight ton, cover to run one year from April 1. There were five bidders.

Hartford Acc. Special Agent

Hartford Accident has appointed Walter D. Jennings special agent in Northern New York with headquarters in Plattsburg.

In 1950 he joined American Surety as a claim representative at Albany. In 1951 he joined Hartford Accident as a claim representative at Oneida, N. Y.

Lynch Heads Pittsfield Board

Officers of Pittsfield, Mass., board are John Lynch of Stevenson & Co. agency, president; Nathaniel Herbits, vice-president; Chester Hebb, treasurer; Roger Sloper, secretary; and Robert Bardwell, executive committee member.

Christian Scientists Collect

Two Christian Science practitioners, who had refused medical treatment after being injured when a sight-

seeing bus of the Gray Line hit a bump, have been awarded \$21,500 by Massachusetts supreme court. Mrs. Lona S. W. Degener received \$7,500 and Mrs. Ella F. J. Schmidt won \$14,000. Neither had sought medical care, but the court said that the amount of damages awarded did not include payment for injuries resulting from their neglect to do so.

Six-month Minn. School Insurance Contest Ends

ST. PAUL—Commissioner Cyril Sheehan has found that the rates charged on \$22,354,000 fire and extended coverage insurance taken out by St. Paul public schools were "neither excessive, inadequate nor unfairly discriminatory", and he has dismissed a complaint filed by Charles P. McCarty, local agent, against three other agents who sold the insurance. They are A. R. Macey, L. J. Schneeman and William C. Carlson.

Mr. McCarty's contention was that in charging \$96,402 in premiums for a five-year coverage, the three agents had violated the anti-rebate law of the state. The Fire Underwriters Inspection bureau also had criticized the letting of the insurance.

Commissioner Sheehan found, however, that certain adjustments had been made in the lineup of the various companies issuing the policies in order to deliver policies consistent with the bidding. One criticism was that the agents had calculated the five-year rate before applying deviations. The inspection bureau contended an annual rate should have been established before the deviations were applied. The commissioner ruled that both methods have been used and that the rates named in the policies were lawful. The controversy over the school insurance has been pending for six months.

Michigan C.P.C.U. Meets

DETROIT—Committee personnel and activities were announced at a dinner meeting of Michigan chapter C.P.C.U. Chairmen are A. Lawson Potter, educational; S. A. Vanderpoorten, publicity; R. L. Jones, C.P.C.U. student sponsorship; M. J. Pierce, special studies; M. Paul Middlekauff, Jr., program, and D. W. Dickman, project planning.

Forum Dinner Is May 6

Recovery Men's Forum will hold its annual dinner in New York City May 6. P. M. Winchester, assistant general manager of General Adjustment Bureau, will speak on "The Adjuster and Subrogation."

The dinner is open to officials as well as members of company-owned organizations, according to David Butterworth of Pacific Fire, forum chairman. Reservations may be made through Dave Smith, Firemen's of N. J.

Sleeper Addresses Controllers

In an address before Kansas City chapter of Controllers Institute of America, Dwight W. Sleeper, chief consultant of Insurance Buyers' Council, proposed various steps which he said would reduce highway accidents.

Auto Assn. Meets May 7

Automobile Claims Assn. of New York City will have its annual dinner May 7.

New Hampshire Assn. of Insurance Agents in cooperation with Mountain Insurance Field Club is offering a free course on inland marine in Manchester, Durham, Keene, Laconia, Lebanon and Lancaster. The course will include transportation, non-commercial floaters, extended coverage on goods, commercial floaters, small craft, rolling stock, contractors and farm equipment, cattle and bailee coverages.

Merge Field and Underwriting Ideas, Alport Tells LIAMA

More teamwork between the sales and underwriting departments may be

one answer to the problem of how to improve persistency. David B. Alport, vice-president of Business Men's Assurance, told the persistency forum at LIAMA's A&H meeting in Chicago.

Mr. Alport suggested that "some of us who have top management responsibilities sometimes forget our mutual responsibilities to each other." The sales executive and the underwriter share a mutual responsibility to the agent and to the policyholder, he said.

He emphasized that "many unfortunate situations between the underwriter and the salesman or the underwriter and the applicant are averted if the underwriter is constantly encouraged and given the opportunity to know the salesman personally and to understand his working habits."

The underwriter should go out into the field. In this way, he said, the underwriter becomes to the salesman more than a name on a letterhead or a signature he can't read—he becomes "another fellow being who likes bright ties and is worried about his son driving the family car."

When the salesmen visit the home office, let them pay a visit to the underwriting department, Mr. Alport urged.

He favors dividing underwriting work on a territorial basis and said B.M.A. has 10 underwriters, each serving an assigned territory. This way "each underwriter thinks of the salesman working in his territory not as a code number or a hole in a punch card, but as Harry or Frank."

If underwriters take sales courses, Mr. Alport said, the courses will help them inject into their letters ideas and suggestions that will build confidence in the field men and will have an important bearing on persistency. Further, they will see in sales objectives something more than production records or new highs in achievement.

He acknowledged that communications from the underwriting department to the field man are the responsibility of the underwriting executive, but "the spirit of these communications is affected immeasurably by your sales philosophy."

There are occasions when the underwriter reviewing the case will recognize that for one reason or other the amount of protection suggested may not best suit the needs of the applicant. "Encourage those responsible for your underwriting," he said, "to tell you about such situations and you will undoubtedly be in a better position to assist the man in the field."

Insurance Square Club Elects

New officers of Insurance Square Club of New York are Ernest J. Thomson, superintendent of brokerage of Phoenix-Connecticut, president; and Burtis F. Thompson of the production

department of A. L. Carr agency, and Edward T. Minor, special agent of Valentine, Illner, Poggenburg agency, vice-presidents. The other officers, George Graham of Hartford Fire and James S. Russell of Whitehill agency, were reelected treasurer and secretary, respectively.

Approve OL&T, M&C Rates in Md., Mich. and Va.

Revised rates on M&C and OL&T have been approved in Maryland, Michigan and Virginia. The changes also include a realignment of territory schedules in the states.

The revisions increase OL&T in each state and decrease M&C. The changes are Maryland, OL&T up 13.2%, M&C down 9.5%; Michigan, OL&T up 2.7% and M&C down 25.2%; Virginia, OL&T up 33.5% and M&C down 24.8%.

Borrow from Insurance Fund

One major fault of a self insurance fund has been shown in Knoxville, Tenn., where the city council decided to use \$17,000 earmarked for the fire insurance sinking fund for another purpose. Mayor Dempster called the fund switch a calculated risk. He said the fund now is \$150,000.

Marine Syndicates Name Company Representatives

American Marine Hull Syndicate, United States Salvage Assn., and American Marine Syndicate have selected additional representatives of subscribers and their representatives follow, in that order, the names of the syndicates.

American Marine Hull: Westchester Fire, Owen E. Barker; Bankers & Shippers, Seymour L. Braman; Eagle Star, John T. Bryne; Reinsurance Corp., Robert G. Clarke; St. Paul F. & M., Harold Jackson; Great American, Emil A. Kratovil; North British, Madoe M. Pease; and Royal, Frank B. Zeller.

U. S. Salvage: Home, Frederick B. McBride; Boston, Gilbert B. Oxford; Aetna, George G. Quirk; Standard Marine, Leslie A. Ward, and companies represented by Messrs. Barker, Byrne, Kratovil, and Pease.

American Marine: Automobile, Martin H. Higgins, Hartford Fire, Arnold B. Sadler; North River, Mr. Barker; Providence Washington, R. Stockton Rush; Queen, Mr. Zeller; Universal, Mr. Bryne, and St. Paul F. & M., Mr. Jackson.

The three syndicates also elected these officers: Chairman, manager and

underwriter, Clifford G. Cornwell; vice-chairman, Mr. Zeller; secretary and assistant underwriter, S. Donald Livingston; executive assistant and treasurer, Homer F. Weynat; assistant underwriter, Walter W. Reed, and manager of loss department, Samuel Gore.

Coleman Secretary of Reinsurance Corp., N. Y.

Reinsurance Corporation of New York and National Reinsurance Corporation have elected Walter J. Coleman secretary. Mr. Coleman holds a B.S. degree from New York University and is a certified public accountant. He has been with both companies since 1942 and was formerly with the CPA firm of Joseph Froggatt & Co.

Gilbert Assistant Treasurer

Maryland Casualty has named Joseph F. Gilbert as assistant treasurer. Formerly senior investment counselor with the Bank of New York, he will work with Raymond N. Brown, treasurer.

Herald J. Beckett has purchased Bradish agency in Eastport, Me., from Murray A. Bradish.

SECURITY * STRENGTH * SERVICE

UNITED STATES RESOURCES AS OF DECEMBER 31, 1953

Year Estab- lished		ASSETS			LIABILITIES		SURPLUS TO POLICYHOLDERS (Includes Capital)	
		Securities Deposited as Required by Law	Other Admitted Assets	Total Admitted Assets	Liabilities	Capital	Annual Statement Basis	Market Value Basis
1896	American and Foreign Insurance Co.	\$ 460,373	\$20,777,288	\$21,237,661	\$13,425,430	\$1,500,000	\$ 7,812,231	\$ 7,560,971
1863	*The British and Foreign Marine Insurance Co. Ltd.	1,045,749	12,208,021	13,253,770	8,143,302	500,000	5,110,468	4,937,925
1911	Globe Indemnity Company	1,148,379	78,947,969	80,096,339	53,599,333	2,500,000	26,497,006	25,234,604
1836	*The Liverpool and London and Globe Ins. Co. Ltd.	1,401,777	45,243,683	46,645,460	29,957,479	500,000	16,687,981	15,916,979
1811	Newark Insurance Company	766,419	26,527,859	27,294,278	17,408,043	2,000,000	9,886,235	9,573,358
1891	Queen Insurance Company of America	839,780	68,462,629	69,302,409	44,345,516	5,000,000	24,956,893	23,965,990
1910	Royal Indemnity Company	1,192,331	87,084,466	88,276,797	60,395,452	2,500,000	27,881,345	26,619,797
1845	*Royal Insurance Company, Ltd.	1,353,191	52,954,393	54,307,584	35,624,478	500,000	18,683,106	18,064,553
1896	Star Insurance Company of America	463,519	23,453,994	23,917,513	15,547,299	1,000,000	8,370,214	8,093,275
1860	*Thames and Mersey Marine Insurance Co., Ltd.	1,042,847	6,963,497	8,006,344	4,840,791	500,000	3,165,553	3,100,347
1832	Virginia Fire and Marine Insurance Company	502,752	7,357,911	7,860,663	4,850,321	1,000,000	3,010,342	2,962,558

* United States Branch. The amount shown under "Capital" is the statutory deposit required to transact business in the U.S.A.

CASUALTY—SURETY—FIRE—MARINE

ROYAL-LIVERPOOL INSURANCE GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK 38, N. Y.

Melby Lists Specific Points in Woodmen Central's Program of Agency Supervision

In establishing long-range objectives for A&H managers the market should be kept in mind as a factor of top importance, L. J. Melby, agency vice-president of Woodmen Central, indicated in his talk at the LIAMA A&H meeting at Chicago.



L. J. Melby

"Too often an agency officer, as well as a manager, is prone to base his expansion program on the availability of men when perhaps he should be laying his plans on the basis of market," he said.

Short-range objectives, he said, encompass primarily the establishment of manpower and production goals for the year. He said his company three years ago abandoned arbitrary pro-

duction quotas for agencies and substituted what he called an automatic quota system based on what the manager has done in the past, this being the best gauge of the manager's ability and potential. The new system, on the whole, is better.

Woodmen Central places primary emphasis on motivating managers. Here are the main methods it uses:

—Cash awards to the three leading managers each year.

—Special recognition in the company's *Managers Confidential Bulletin* of the 10 leading managers each month.

—Inclusion of the manager in all home office sponsored contests, with the opportunity to win prizes on the basis of his agency's production.

—Managers can qualify for the leaders' club, which meets every 18 months at a leading resort. They can qualify to take their wives.

—A bonus system provides cash awards for each manager in proportion

to the job he does, plus a recruiting bonus based on production of new men during their first six months.

—Publication each month in the company house organ of each manager's quota attainment results—whether good or bad.

—Use of the *Managers Confidential Bulletin* as a key instrument in supervision and inspiration through analysis of company and individual agency results for the previous month; new recruiting ideas, and other management plans that are working.

—Monthly analyses of each manager's monthly and year-to-date results, comparing them with his results as of a year earlier as well as with his quota for the year, thereby letting the managers know "we are interested in them as individuals."

—A three-day conference held each January for all managers. This is a combination schooling and motivating session and gets the managers into the act as speakers or as members of panel discussions.

—Annual meetings in each state of all active agents, managers, and their wives. These are conducted by the agency vice-president and the superintendent of agencies.

—During the latter half of the year two-day regional conferences are held for managers as schooling sessions on agency management subjects.

—Trouble-shooting, meaning an agency department man visits a particular agency that seems to be slipping.

—Regular weekly activity reports from managers. These are required from all new managers and from such managers as the agency department considers warranted. Acknowledgment of and comment on each report is vital.

—Using the telephone freely to keep in touch with field directors and particularly with new managers. Home office agency men, all of whom have a record of successful personal production and supervisory work with the company, are assigned to a group of managers, to whom they act as counselors.

Citizens Cas. Gains in Assets, Surplus

Assets of Citizens Casualty increased \$1,656,411 to \$6,580,838 in 1953 and policyholders' surplus was up \$365,342 to \$1,716,099. Net income was down \$53,184 to \$131,076 after federal income taxes.

Written premiums were \$3,271,701 and the ratio of expenses to premiums written was 30.8%. Premiums earned totaled \$3,117,195 and the ratio of losses and loss expenses incurred to earned premiums was 65.9%.

Business Blood Bank Set

The fifth annual insurance business blood bank will be April 19-30 sponsored by National Board, Assn. of Casualty & Surety Cos., Insurance Brokers Assn. and Assn. of Local Agents of New York City at the National Board building in New York.

William Hicks, treasurer of Assn. of Casualty & Surety Cos., is chairman of the committee and other members include H. A. Coumbe of National Board, Vincent O'Brien of New York Board, Albert Mezey of Assn. of Local Agents of New York City, G. H. Ort of Insurance Brokers Assn., G. W. Tisdale of Commercial Union, Cameron Toole of Travelers, Walter U. Westcott of America Fore and T. Morgan Williams of Home.

Atlantic Names Sherry

George B. Sherry has been appointed special agent at Baltimore for Atlantic Mutual. With the group since 1950, he will work with Baltimore manager J. Rutledge Clark.

Fire losses on Montana farm, ranch and forest lands were lower in 1953 than in any year since 1950 despite uncommonly dry conditions in late summer and fall.

Ruel T. Brown, Jr., formerly with Duckett & Brown, adjusters of Toledo, Ohio, has opened a local agency at 214 Bell building, Toledo.



You've Got a Cure for This

Dishonesty, Disappearance and Destruction are three spectres that haunt every business. The cure for such a 3-D nightmare is 3-D Crime Insurance. American Casualty's streamlined 3-D program is different from most . . . all eight coverages are IN the policy*. No multitude of endorsements to fuss with. Sales average \$500.00 in premium—a fact for profit-minded agencies to consider.

If you're not familiar with American Casualty's 3-D, ask for sales kit.

*Except in N.Y., La. and Texas

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111 JOHN STREET, NEW YORK 38, NEW YORK

**BRANCH OFFICES IN PRINCIPAL CITIES
FIELD SERVICE NATIONWIDE**

MARINE UNDERWRITERS SINCE 1872

Answers Questions On Daily Indemnity U.&O. Boiler Policy

A Cleveland attorney has written Fire, Casualty & Surety Bulletins for its comments on a case he handled in Kentucky involving the taxation of proceeds of use and occupancy insurance. He represented a corporation doing business in that state in the matter of a policy written in 1949 on a boiler and machinery form that provided for a payment to insured of \$5,000 daily indemnity for each day of total prevention of business, with a stated maximum loss limitation.

The attorney was able to persuade the Internal Revenue Service that the proceeds were taxable at the capital gains rate rather than as ordinary income, and he observed that this treatment differs from the tax rule applicable in situations where a business interruption policy measures liability on the basis of estimated loss of profits during the period of suspension or partial suspension of business.

Following is a question and answer series related to the attorney's subject. Replies have been taken from the F. C. & S. Bulletins, published by the National Underwriter Company.

Q. I find that in your F. C. & S. Bulletins U. & O. B-1 (fifth printing—May, 1942) you state that in 1937 and 1938 per diem U. & O. forms, when used in conjunction with fire insurance policies, were abolished completely in most eastern, southeastern and Pacific Coast states. I wonder whether your records indicate in which states such insurance may still be written (both as to fire and to boiler and machinery coverage).

A. The old non-valued per diem form is specifically authorized in the rule books of only four states—South Carolina, Georgia, Alabama and Florida. The form was withdrawn generally, but was reinstated in these states—which comprise the territory of the Southeastern Underwriters Assn.—largely because of the demand of agents and insured after the Williams Furniture Corp. case (45 B.T.A.). The rule books of these four states simply state that it may be written and provide a rate formula. Elsewhere it is not specifically authorized, although there is nothing to keep an insurer from making a special filing if it wishes to do so.

Q. I was informed by one insurance man that the writing of such insurance was abolished in Ohio about three or four years ago as to loss resulting from fire, but that per diem policies are still written in connection with boiler and machinery insurance.

A. The term business interruption insurance has been generally substituted for use and occupancy insurance by fire insurers, but the old term has been retained on the power plant side of the business. Standard forms in the fire business, even the old per diem forms, never were valued. They always are based on actual loss sustained. Some forms refer to loss of profits and continuing charges which would have been earned if the business had not been interrupted, while others have a reverse approach, referring to loss of income minus such expenses as discontinue, but in either case the result is, or should be, the same. Occasionally, special contracts have been written following the power plant insurance principle of a valued by making the amount of insurance

daily indemnity. They probably are still available now and then, where an insurer is willing to make a special filing to get a line it wants badly, but they never have been standard in the fire insurance business.

Q. Do you know of any public policy or other reason for having abolished the per diem form of use and occupancy insurance? Or was its abolition merely part of a trend to simplify forms and reduce the number of types of policies sold?

A. The per diem form was well on its way to extinction before the Williams case. The principal reasons were first, as you suggest, a general trend toward reducing the number of forms and, second, the cumbersomeness of this form and its undesirability for the average insured from a viewpoint of coverage. Under the per diem form insured ran a serious risk of being under-insured unless he could chart his daily fluctuations a year in advance and write varying daily accurately. The only other way to play safe was to carry more insurance than was needed and could be collected

365, 300 or 250 times his greatest daily value. The weekly form, which is a little more flexible, since its limit applies to each week of shut-down, rather than to each day, is still used in some territories but most business interruption insurance in fire insurers today is written under one of several so-called coinsurance forms, which have no such limit, but require insured to carry insurance equal to a portion of his annual business income, less certain expenses.

Fla. Approves Auto EM

Florida has approved the National Bureau's auto extended medical payments plan. It is now effective in all states except Kansas, Louisiana and New Jersey.

Also approved is the Mutual Rating bureau's filing of the same cover. Its filing is now effective in 39 states and District of Columbia.

New Head for Chelsea Brokers

Samuel J. Abramovitz has been named president of Chelsea (Mass.) Insurance Brokers Assn. Other officers were reelected.

100% Stock Dividend by Government Employees

A 100% stock dividend has been declared on capital of Government Employees payable April 15 to stockholders of record April 1. A transfer of \$1.1 million from surplus account to the capital stock account was authorized to pay the dividend.

Normal L. Gidden has been promoted to vice-president of production from assistant vice-president, administration; Robert H. Barnard to assistant vice-president, research, and George Lewin to assistant secretary.

Agents Consider Civic Unit

El Paso Assn. of Insurance Agents, which acts in a counseling capacity on city and county insurance in El Paso, is considering forming a public service committee to work with the city's public service board. C. Burt Dycus is president of the association.

Camden Declares 5¢ Extra

Camden Fire has declared an extra dividend of 5 cents a share payable May 1 to holders of record April 9.

PEPPY FREDDY, the fieldman, says:



That's how long it takes the
Western Surety Company to handle your
bond submissions.

Everything that comes in is processed
and mailed the same day it is received.

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KANSAS CITY
102 East 9th Street
Kansas City, Mo.

EDITORIAL COMMENT

A Good Program for Everybody

The fellowship program of American Assn. of University Teachers of Insurance is of the sort that will produce results for the business and the teachers for many years to come.

Among the benefits that the participating teachers have derived are new sources for research and teaching materials, improvement in the skill and knowledge of the teacher in the counseling of students preparing for a career in insurance, an increase in the knowledge of insurance practices and

policies, a keener awareness of the current insurance problems facing the business, and an opportunity to fill the gaps in the experience of teachers who specialize in study of particular phases of company operations.

The benefits to the insurance business are not so direct or obvious, perhaps, but they are there. The important one is that the better understanding by teachers of the problems and spirit of the business will be reflected in university teaching for many years.

Warning: Liberalization May Not Exist

The liberalization clause has been incorporated in fire insurance forms in a large number of jurisdictions, with the result that insured in many areas are given the benefit of any changes made by fire rating organizations, provided there is no extra premium involved. Insured, say, whose existing fire policies do not contain a newer and broader definition of insured property are, under the terms of the liberalization clause, entitled to such a definition if the definition has been added to newer forms without charge.

This is all to the good. It saves the agent or broker the work of preparing or securing endorsements which would be needed, in the absence of this clause, to give insured everything he has coming to him. True, with many changes, companies have agreed to construe them as applicable to outstanding contracts, but this is not always so, and the liberalization clause makes this construction definite and certain.

However, a curious by-product of the recent trend toward use of the liberalization clause is the misapprehension of many in the business that any liberalizing change in any manual

or form—inland marine, casualty, burglary, etc.—will automatically accrue to the benefit of policyholders with older forms. This is not necessarily so. As with fire covers, many companies will agree to interpret outstanding IM, casualty and burglary policies as containing newer and broader conditions. But no forms, other than fire or allied lines, contain a specific liberalization clause.

Thus, it is foolish to assure a client that he has the benefit, say, of the recently adopted additionally acquired property clause when his personal property floater was written several years ago. Unless the broadening clause has been added to the contract by endorsement or the agent or broker has a definite expression of intent from the insurer, insured has no such protection at all. The insurer may choose to pay a loss which would not have been covered except under the terms of the acquired property clause. But, in the absence of any endorsements or binding agreements, this is not something insured may regard as a legal right.

Caution and crystal clear understanding are well advised.

after a month with the club he went to Los Angeles as southern California manager and pioneered the organization there. In 1930, he went to San Francisco as associate general manager, and in 1941 he took over as manager. He is a past most loyal gander of San Francisco Blue Goose.

William C. Ridgway, Jr., the new president of Crum & Forster, advanced in the group's ranks principally on the financial side. Alexander L. Ross,



W. C. Ridgway, Jr.,



A. L. Ross

president of U. S. Fire, North River and Westchester Fire, is a former field man, and has devoted his attention to production, underwriting and the like over the years. He continues as executive vice-president of Crum & Forster.

Robert L. Birdwell, who took office Sunday as the new Oklahoma insurance commissioner succeeding Donald F. Dickey, is vice-president of American First Title & Trust Co. of Oklahoma City. He graduated from the University of Oklahoma law school in 1947, and for a time was the law partner of Governor Johnston Murray.

Mr. Birdwell has already announced he does not intend to run for election in November, and that leaves the race for the commissioner wide open with no announced candidates.

Mr. Birdwell was in the navy during the war. He is only 31 years old.

Newell P. Weed, Jr., account executive for Marsh & McLennan, Inc., has been named "the outstanding young man of 1953 in Minneapolis" by the Junior Chamber of Commerce. He has been active in politics and civic affairs.

Richard G. Patch, special agent of National of Hartford group, and Miss Suzanne Pell Malone of Chester, Vt., were married. Mr. Patch has been a field man for the group for four years in New Jersey, Connecticut and Boston and at present in Maine.

A. E. Gilbert, executive vice-president of American International Underwriters, is visiting International Underwriters of Latin America in Havana, a Latin American affiliate of AIU. From Cuba he will go to the Dominican Republic.

Capt. Robert E. Wayne, son of Harold L. Wayne general manager of Inland Marine Insurance Bureau, escaped injury when his air force

Thunderjet crashed in Germany. He was thrown free by the plane's ejection seat and parachuted safely.

Miss Catherine Nachel, assistant secretary of H&A Underwriters Conference, is in South Shore hospital, Chicago, for a major operation. She is expected to be off the job for about six weeks.

Eugene K. McCarthy, engineer in the Pittsburgh office, will observe his 25th anniversary with Hartford Accident April 1. Before joining the company in 1929, he had several years of engineering experience in the utility, railroad and industrial fields.

John C. Stott, Norwich, N. Y., past president of National Assn. of Insurance Agents, has been renominated to a three year term on the state insurance board by Gov. Dewey.

C. E. Reeder, special agent at Columbus for National Fire group, has entered Good Samaritan hospital at Cincinnati for treatment of acute sciatica. Fred Bell, state agent, and J. C. Custis, special agent will handle the territory in his absence.

Roy T. Haycock and Robert Wareing, whose promotions by Travelers were announced three weeks ago, are being featured by THE NATIONAL UNDERWRITER for the third consecutive week in



Robert Wareing



Roy T. Haycock

the fond hope that on this occasion the name of each gentleman appears correctly under his picture.

The first time Messrs. Haycock and Wareing were shown in THE NATIONAL UNDERWRITER, the responsibility for the wrong picture appearing over the right name rested on only one person. The next week an attempt was made to rectify this error, and four persons had a hand in the blunder. For this issue, the entire editorial staff and four printers are participating in the effort to raise the batting average from zero.

A. Bruce Bielaski, assistant general manager of National Board, is enroute to Europe for a six weeks pleasure trip with Mrs. Bielaski. They will go to London, Paris, Switzerland, and Italy.

Robert B. Hamilton, vice-president and general counsel of American Surety, marked his 45th anniversary with the company.

PERSONALS

Donald F. Dickey, whose resignation as Oklahoma commissioner became effective March 20, has been commissioned an "honorary colonel" on the staff of Gov. Johnston Murray as a tribute to his service to the people of the state and the insurance industry. Mr. Dickey took up his new duties as vice-president in charge of Oklahoma operations for Admiral Fire, and manager of the Bettis Insurance Agency, Oklahoma City and Tulsa, on Monday.

He has been replaced as insurance commissioner by Robert L. Birdwell, vice-president in charge of public relations of American First Title & Trust Co., Oklahoma City.

J. C. Evans, president of Great American, and Mrs. Evans, flew back to New York this week after a two weeks' vacation and business trip to Puerto Rico.

Herbert E. Manners, general manager of National Automobile Club, this week is celebrating his 30th anniversary with the organization. Mr. Manners started as a district manager, and

The NATIONAL UNDERWRITER

EDITORIAL OFFICE:
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Editor: Kenneth O. Force.
Assistant Editor: Warren Kayes.

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PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Bernard J. Gold, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.



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DEATHS

L. G. GILLHAM, 65, a former vice-president of James S. Kemper & Co., who retired last year after more than 20 years with the agency, died in Evanston (Ill.) hospital. Mr. Gillham began in insurance with Illinois Manufacturers Mutual Casualty Assn. as a salesman, and was with the firm about 10 years until it was taken over by the Kemper Co. in 1933. He was a field man for Kemper in the Chicago area since 1933 and was well known in insurance circles. He was made a vice-president in 1951.

W. R. C. KENDRICK, 75, former Iowa commissioner, died at his home in Des Moines. He served as commissioner for four years beginning in 1923 and was president of National Assn. of Insurance Commissioners.

LT. ROBERT B. SMITH, 31, son of A. A. Smith and an associate in his father's local agency in Lansing, Mich., was killed in a crash in a national guard fighter plane on a routine training flight from Kellogg Field, Battle Creek, to Charlotte, N. C. The wreckage of the plane which crashed into a mountain near Tazewell, Va., was found after a two-day search.

ERNEST A. KRETZMANN, 64, local agent at Berlin, Wis., since 1935, died at a hospital in Oshkosh after an extended illness. He started in 1935 and opened his own agency 10 years later.

LOUIS E. DOBIE, president of Virginia Assn. of Insurance Agents 1923-25, died at Norfolk. Until his retirement in 1945 he headed the agency of Dobie, Bell & Henderson at Norfolk.

ARTHUR SHAW 28, with the loss department of the Schwartz & Co. general agency at Chicago, was killed when his automobile collided head-on with a street car in Chicago. It is believed he fell asleep at the wheel. Mr. Shaw was the son of Arthur Shaw, the late vice-president of A. F. Shaw & Co., also a Chicago general agency, and a grandson of the founder of that agency.

RALPH O. STOGDILL, 54, local agent at Fort Wayne, Ind., for more than 30 years, died. He was a partner in the Stogdill & Kuhn agency.

GEORGE K. MARCH, president of Detroit National Fire Ins. Co. from 1919 to 1944 when he retired, at which time the company was dissolved, died at Hillsdale, Mich. after a short illness.

W. B. HOLLINGSWORTH, 72, former president of Pioneer Reserve and at one time assistant insurance com-

missioner of the state, died at For-dyce, Ark.

MARGARET H. McADOW, whose husband, the late Eugene P. McAdow, was executive special agent for Great American in the midwest for many years, died at Chicago.

I. D. ROGNLIEN, 80, former local agent at Kalispell, Mont., died. He was at one time a member of the Montana assembly and served as chairman of he house insurance committee.

HARRY N. LEVEY, manager at Richmond since 1935 for National Surety, died.

CLAUD H. EGGLESTON, 62, broker with Aetna Casualty at Buffalo, died after 40 years in the business. He formerly was a partner in Eggleston & Archdeacon agency in Buffalo.

HERBERT L. BARR, 61, local agent at Indianapolis, died there. Before starting his own agency, he was general agent for several companies and was Indiana agent for North Amer-

Bohne Describes the Multi-Sidedness of Claims Operations

Since law and medicine enter into the administration of an insurance contract, it is important to have some knowledge of both in order properly to investigate, analyze and pass judgment on a claim, Edward J. Bohne, Equitable Society, president of International Claim Assn., told the Chicago Claim Assn. at its March meeting. Executive committee members of the International, meeting in Chicago, were guests of the Chicago association.

To be claims man today calls for more than merely being a good investigator, claim examiner or administrator, Mr. Bohne contended. He gave several examples of why such knowledge is necessary.

"As I conceive it, claims men must be the catalyst that reconciles and merges the legal-medical and insurance aspects of a claim to the end that a fair and proper disposition is made of each claim in the light of the intent and language of the contract," he said. "This is not an easy task. It calls for fairness, honesty and intelligence in reporting the facts. It calls for a broad knowledge of law, medicine and insurance combined with thorough claim experience."

Otto V. Elder, vice-president of American Service Bureau, president of Chicago Claims Assn., was master of ceremonies. L. L. Phelps, assistant vice-president of North American Life, executive committee chairman of the International association, introduced the speaker.

Vlachos & Co., Pa., Closing

The Philadelphia insurance inspection firm of Vlachos & Co., 308 Walnut street, is discontinuing services and will be liquidated, according to Joseph J. Schmitt, Jr., attorney for the company. It has been in business since 1901. It has no connection with the firm of Vlachos & Co., 110 Fulton street, New York.

Mr. Schmitt has been manager of Vlachos & Co., Philadelphia. He will join Knowlan-Thorp & Co., Philadelphia, which publishes Schmidt surveys.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, March 23, 1954.

Aetna Casualty	3.00*	133	138
Aetna Fire	2.40	57	58½
Aetna Life	2.50*	114½	116½
Agricultural	1.60	31	32
American Equitable	1.70	52	53
American Auto	2.00	52½	54
American, (N. J.)	1.10	28	27
American Motorists	.24	8½	9½
American Surety	3.00	58½	60
Boston	1.40	37	38
Camden Fire	1.10*	24½	25½
Continental Casualty	2.60	114½	116½
Crum & Forster com.	1.80	50	52
Federal	.60	31½	32½
Fire Association	2.20	45½	46½
Fireman's Fund	1.80	57½	58½
Firemen's, (N. J.)	1.00	28½	29½
General Reinsurance	1.60	43	44½
Glens Falls	2.00	63	65
Globe & Republic	.80	15	16
Great American Fire	1.60	33½	34½
Hartford Fire	3.00	133	135
Hanover Fire	1.80	37½	38½
Home (N. Y.)	2.00	41½	42½
Ins. Co. of No. America	2.25*	68½	70½
Maryland Casualty	1.20	30½	31½
Mass. Bonding	1.50*	26	27
National Casualty	1.30*	30	31
National Fire	3.00	77	79
National Union	2.00	39	40
New Amsterdam Cas.	1.30	44½	46
New Hampshire	2.00	41½	43
North River	1.40	30½	31½
Ohio Casualty	1.35*	68	72
Phoenix, Conn.	3.40	98	101
Prov. Wash.	1.30*	28	30
St. Paul F. & M.	1.00	47½	48½
Security, Conn.	1.70*	36	37
Springfield F. & M.	2.00	47½	49
Standard Accident	1.80	47	48½
Travelers	19.00	1042	1055
U. S. F. & G.	2.00	65	66½
U. S. Fire	1.80	42	43½

*Includes Extras.

200,000 New Shares At \$30 Offered by National Union

National Union Fire is offering to stockholders of record March 19 rights to purchase 200,000 additional shares of capital stock at \$30 a share. The new shares are being offered at the rate of one additional share for each two held. At the expiration of the subscription period, April 19, an investment banking group, headed by First Boston Corp. will purchase any unsubscribed shares.

Dividends on the company's stock have been increased in each of the past five years with current quarterly payments at \$2 a share annually. At the conclusion of this financing there will be 600,000 shares outstanding.

Proceeds from the sale will be added initially to the company's general funds to provide additional capital to meet increased volume of premium writings, to maintain the competitive position of the group and to broaden the companies' business when desirable.

Net premiums written in 1953 by the company and its subsidiaries, Birmingham Fire and National Union Indemnity, were \$34,730,000. Consolidated earnings for the same period were \$3.87 a share, compared with \$2.97 a share in 1952. Consolidated assets in 1953 increased to \$ 501,000 from \$61,515,000 a year earlier.

Thirty-one companies are associated with First Boston in the issue.

To Talk on LP Gas Trends

Chicago chapter of Society of Fire Prevention Engineers at the March 29 meeting will hear a talk by Richard W. Stafford, a gas consultant, on the effects of the trend toward the use of LP gas. Morton E. Luber of Rollins, Burdick Hunter Co. is the program chairman.

Reinsurance

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Employee Benefits, Pensions, A&S, Life Outlined by Experts at AMA Conference

Employee group benefits including A&S and medical plans were discussed at the American Management Assn. special conference in New York City.

Taking part in the first day's session were Samuel L. H. Burk, director of personnel of General Foods, Karl K. Kahler, vice-president in charge of employee relations, BullDog Electric Products of Detroit; William A. Maddock, labor relations and insurance manager, Darin & Armstrong of Detroit; and the speakers, M. A. Themer, supervisor of the statistical analysis section of the industrial relations central staff of Ford Motors, Roy L. Jacobus, manager of the insurance department of Ford, and Robert T. Ross, manager of employee services department of Ford. Henry Anderson, manager of the insurance department of American Broadcasting-Paramount Theatres and vice-president in charge of the insurance division of AMA and John Schlegel, manager of the Dearborn group office of John Hancock Mutual Life, were chairmen of the question period, and Frazier Wilson, manager of the insurance division of United Air Lines presented a new movie on company benefits program.

The second day of the conference was given over to the essentials of a sound retirement program with C. Henry Austin, manager of the insurance department of Standard Oil of Indiana; R. B. Wiltse, insurance manager of Automatic Electric Co. of Chicago; Ralph J. Struke, Jr., director of personnel of A. B. Dick Co., of Chicago; William J. Carroll, life actuary of Standard of Indiana; T. V. Murphy, manager of the insurance department of Maryland Drydock Co., Baltimore, speaking and answering questions.

A vital factor in establishing a new group insurance program is the aggressiveness of insurers. There must be as much flexibility as possible in the areas of underwriting standards, borderline claim handling and coverage provisions, Mr. Jacobus said. A fairly reliable method is to discuss the bidding insurers with other insurance buyers, personnel men and insurance consultants.

Another approach is to examine and compare the specimen policies, certificates and other written material submitted by competing insurers. Special attention must be paid to modifications and limitations, maximum benefit periods available to the group, the maximum of disability benefits, periodic or automatic enrollment of non-participating employees who previously had refused insurance, eligibility requirements for participation and conversion privileges.

Determining which bidding company has the lowest rate of net retention is a difficult and somewhat confusing problem since retention varies from

year to year, depending on cost factors, and a positive guarantee of future retention cannot be given. But if the company examines several proposals, a comparatively accurate estimate can be given on the net retention rate. Competitive bidding is the best means by which the various cost factors can be examined.

In merchandising the benefits to employees, the initial solicitation program is important. It may be done by the insurer or by the company. The insurers are important in this stage of planning for their detailed knowledge of the plan and suggestions on selling the plan are valuable, Mr. Ross explained.

In handling the claims that arise, the company must consider the two plans available, the employer can handle them to better employee-employer relationships, or the insurer can take care of them. Ford believes it is advantageous to have the insurer process, investigate and pay the claims. Experience has shown that there is one claim for each 100 employees insured and about 1,000 claims a month are filed in the Detroit area. The insurer has established a separate office in Dearborn staffed with claims handlers, investigators and other personnel. There has been no indication that the settlements have ever been to the advantage of management.

However, in all the other Ford plants outside the Detroit area, claims are serviced directly since there are fewer employees in these branches and it would be impractical for the insurer to establish a separate office for handling claims.

Asked to outline the plan Ford now has in operation, Mr. Jacobus explained that the company has two package plans, one for salaried employees and one for hourly employees. The persons who are paid an hourly wage receive life, accidental death and disability, weekly A&S, in hospital and a continuing group life for retirees. The salaried group has life, AD&D and non-cancellable A&S which allows up to 10 years sickness or up to age 65 and pays a third of the salary.

Hospital and surgical insurance for both groups is Blue Cross with benefits depending on the plan in the states in which the branches are located. The company pays half the amount of Blue Cross, or if the plant is in another state, up to half the amount of the Michigan Blue Cross plan. Blue Cross was chosen, rather than an insured plan, by a collective bargaining agreement.

Questions answered by the panel also clarified points on handling claims, rates of retention and enrollment.

Is there a tendency to transfer workmen's compensation claims to the insurer for payment on the group plan? There might be an individual tendency, but the laws are definite that it is not permitted.

Would socialized medicine minimize the costs of A&S? It might eliminate some evils, and it would provide more coverage for more people, but whether or not the costs would be lowered would depend on the amount of taxes collected to pay for socialized medicine.

To what extent is the retired em-

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Workmen's Compensation ★ Automobile**

FORT WORTH, TEXAS

ployee willing to contribute to a benefit plan? Pension benefits are increased and the employees can choose whether or not they want it. However, when Ford's plan was originated, out of about 8,000 retired employees, 80% kept their plan. That percentage has now dropped.

Has the rapid growth of major medical coverage eliminated the need for socialized medicine? If sufficient coverage is provided for all the people, there would be no need for socialized medicine. Insurance companies will play a large part in developing a program to meet the needs of the population and solve the problem of socialized medicine.

Why isn't it a good idea to extend major medical payments from 26 to 52 or 104 weeks? That might be a good idea and it could probably be done at comparatively low cost under a cost-plus plan.

Explain the major medical plan Ford is now considering. It cannot be explained exactly, for there are several under consideration. The plan will probably be in terms of the General Motors plan which extends to \$10,000 per expense period, which is renewable.

How does group major medical expenses compare with group hospital? It depends on the plan, but the cost wouldn't be more than double, especially with the cost-plus concept.

Five basic factors outlined by Mr. Austin in calculating pension plan liabilities are mortality, interest, expense, turnover and future changes in salary levels. All of the factors enter into cost calculations, depending on the method of funding. It is important to distinguish between the anticipated gross annual cost of a pension program and the net annual cost. All of the five factors will be reflected in the determination of the net annual cost, regardless of the funding vehicle selected.

Under an insured plan, three types of expenses must be considered. They are commissions paid to agents or brokers, state premium taxes and administrative expenses. Other expenses are usually paid directly by the employer.

The requirements of the Internal Revenue Service and the state laws for retirement plans were discussed by Mr. Wiltse. He emphasized that the new tax laws will not perceptibly change the basic premise governing pensions, trusts or other retirement plans.

Md. Passes Several Bills

Now law in Maryland is a measure providing that a person who has been required to give financial responsibility must maintain it permanently thereafter, instead of the previous requirement of three years.

Another measure adopted by the Maryland legislature, which now is closed down, provides reciprocity with other states in enforcement of financial responsibility laws. Another law provides a mandatory 30-day jail sentence upon second conviction of driving while license is suspended or revoked.

The unsatisfied judgment fund bill did not get out of committee. It was strongly opposed by insurance interests. The agents qualification bill, sponsored by Maryland Assn. of Insurance Agents, died in committee.

Murray & Co., Seattle, has been appointed general agents for Beneficial Fire & Casualty for fire coverages only in Washington and Oregon. Policies are written on a participating basis and it is believed a dividend of 15% will be offered.

More on Plans for Big Hemisphere Conference

More than 300 insurance executives from Latin America, Canada and the U. S. are expected to attend the 5th hemispheric insurance conference in Rio de Janeiro Aug. 19-28. Life, fire, casualty, marine, fidelity and surety, and general subjects including government operations in the insurance business will be discussed.

The U. S. will provide the cochairman for the life insurance discussion group, and members of the U. S. delegation will present technical papers in each of the discussion groups.

A series of papers dealing with different phases of insurance education in the U. S. is being prepared under direction of Arthur C. Goerlich, dean of Insurance Society of New York.

Approximately 50 senior insurance company executives expect to attend the conference as members of the U. S. delegation, which will be headed by John A. Diemand, president of North America and chairman of U. S. Chamber of Commerce's hemispheric insurance conference committee.

Most of the U. S. delegation will

leave New York for Rio by Pan American Airways Aug. 18. Mr. Diemand and a group of other executives will leave New York on SS Uruguay, Aug. 5. On return trip, the Uruguay will leave Rio Aug. 31, arriving in New York Sept. 14.

During the conference, James S. Kemper, head of the Kemper insurance group, ambassador to Brazil, will entertain delegates at a reception at the embassy residence. Mr. Kemper was the principal organizer of the first conference in 1945.

Buffalo I-Day Mar. 30

Buffalo I-Day March 30 will feature question and answer forums moderated by Edward J. Hartnett, special agent of Home, Howard S. Fedder, state agent of Crum & Forster, and Kenneth Kingemeyer assistant manager of the American Surety office at Buffalo. The forums will deal with personal inland marine lines, the new earnings form for mercantile and service risks and the homeowners policy. Donald M. Hobart, vice-president and director of marketing research of Curtis Publishing Co., will be the afternoon speaker.

Nellie Shelley Named Region VII NAIW Head

Nellie Shelley of Aetna group of Denver, was elected region VII director for 1954-55 of National Assn. of Insurance Women at a meeting attended by 135 insurance women in Kansas City.

Highlight of the educational and business sessions was a panel discussion of compulsory automobile insurance, with Ed Gilbert of Thomas McGee & Sons as moderator. Panelists were Donald Brain, W. B. Johnson & Co.; Anthony Nugent, attorney; Frank H. Tormoen, Thomas McGee & Sons, and C. H. Kelley of Central Surety. Speakers included Martin Bradford of Continental Casualty, Nashville; Vernon Griffith, Jr., W. B. Johnson & Co., and Louis McGee of Thomas McGee & Sons.

Voted against at the meeting was the proposal to hold the national convention only every other year, the proposal to increase national convention fees to \$20, and the proposal to pay regional directors from national funds. Region VII chose "Education in Public Safety" for a national welfare project. The 1955 regional conference will be held in Hutchinson, Kan.

Globe and Rutgers Fire Insurance Company

FINANCIAL STATEMENT AS AT DECEMBER 31, 1953

Admitted Assets	
*Bonds—United States Government	\$ 4,211,061.14
*Bonds—All Other	3,006,640.94
*Stocks (Includes Subsidiary Companies at \$6,221,811.94)	12,943,939.94
Cash on Hand and in Banks	2,850,286.88
Premium Balances (Less Ceded Reinsurance Balances)	1,025,589.16
Interest Due and Accrued	73,101.03
Other Admitted Assets	1,482,997.07
	<u>\$25,593,616.16</u>
Liabilities	
Reserve for Losses and Loss Expenses	\$ 2,286,976.38
Reserve for Unearned Premiums	8,103,342.78
Reserve for Expenses, Taxes (Including \$83,679.27 Federal Income Taxes) and Contingent Commissions Due or Accrued	402,988.33
Dividends Declared and Unpaid	32,016.00
Funds Held under Reinsurance Treaties	1,453,678.17
Reserve for all other Liabilities and Items	313,837.30
	<u>\$12,592,838.96</u>
Capital Stock:	
**\$4.64 Prior Preferred Stock (27,600 shares \$15.00 Par Value)	\$ 414,000.00
Common Stock (284,000 shares \$5.00 Par Value)	1,420,000.00
	<u>\$ 1,834,000.00</u>
Surplus	11,166,777.20
	<u>13,000,777.20</u>
	<u>\$25,593,616.16</u>

POLICYHOLDERS' SURPLUS \$13,000,777.20

*Bonds and Stocks are carried on the basis prescribed by the Insurance Department of the State of New York. If actual December 31, 1953 market quotations for all except insurance stocks had been used (such insurance stocks being taken at statutory values as at December 31, 1953, with portfolios adjusted to market) the Policyholders' Surplus would be \$12,940,065.98. Securities carried herein at \$280,790.33 are deposited with State Departments as required by law.

**Entitled upon redemption at Company's option or upon voluntary liquidation to \$104 per share with successive reductions of \$1.00 per share on June 1, 1955, June 1, 1957 and June 1, 1959, in each instance plus accrued dividends; otherwise entitled to \$100 per share plus accrued dividends.

HOME OFFICE

111 WILLIAM STREET, NEW YORK 38, N. Y.

INLAND MARINE DEPARTMENT

169 William Street
New York 38, N. Y.

FOREIGN DEPARTMENTS

102 Maiden Lane, New York 5, N. Y.
206 Sansome Street, San Francisco 4, Calif.

OCEAN MARINE DEPARTMENT

102 Maiden Lane
New York 5, N. Y.

Discuss Casualty Question at Louisville NAIA Meet

(CONTINUED FROM PAGE 9)

"special coverage" charge on comprehensive general liability policies be eliminated? (B) Do you find that the "special coverage" charge is sometimes a deterrent to selling this coverage to smaller risks with limited exposure? (C) In order to differentiate between the "comprehensive" and the "non-comprehensive" policy, do you feel that a small credit applied to the latter would be feasible? 2. (A) Do you feel that the elimination of frontage charges on all OL&T classifications would be desirable? (B) Do you have

any suggestions for overcoming the penalty which would result from such a change, to risks with above ground floor exposure? 3. (A) If OL&T and elevator property damage had an aggregate as well as a single limit, same as M&C, would it make for greater clarity and uniformity, especially where the coverages are combined in a comprehensive? (B) Can you think of any objection to having an aggregate limit for these lines? 4. (A) Do you feel that the companies should define the words "care, custody and control" in their liability policies, just as they do other words such as "insured," "automobile," or "premises"? (B) Should the bureau set up rates to

remove the "care, custody and control" exclusion as respects real property? 5. (A) Do you feel that the OL&T classification and rating basis for motels works satisfactorily? (B) If not, what are the problems? 6. (A) Should the use of "closed season"—code 29—which is presently available only for hotels and restaurants, be made available for other risks of a seasonal nature? (B) Should the National Bureau again permit the writing of OL&T on a "receipts" basis for motels and tourist cabins? 7. Do you think that it would be practical to have one M&C classification for the construction of single or two-family dwellings? 8. Under the rules for the storekeeper's liability policy should provision be made for deleting, for an additional premium, the exclusion of "the products hazard with respect to gas for heat or power, appliances operated by gas or liquid fuel, or the installation servicing or repair of appliances so operated, 'in order to properly protect retail furniture and hardware stores? 9. Do you think that it would be advantageous to have the rates in the druggists' liability manual include a premium for the OL&T exposure and to have the policy automatically provide both coverages, similar to the store keeper's policy? 10. (A) Do you think that the present method of rating professional liability for the doctors and nurses employed by manufacturing concerns for examination and first aid treatment of their own employees on the basis of "out patients" is realistic? (B) Would you prefer returning to the old basis of "per nurse" or "per doctor"? 11. (A) Do you find that there is currently a restricted domestic market for increased limits on bodily injury and property damage liability insurance? (B) If so, is the market tight in general or only with respect to certain kinds of risks? (C) How do increased limits premiums compare between domestic companies and Lloyds or other non-admitted carriers? 12. Should a separate, single classification be developed for appliance stores products liability which will include sales, installation and servicing of all products usually sold and obviate the necessity for separate accounting? 13. Do you think it would be feasible to combine all liability manuals into one with one set of rules in common for OL&T, M&C, protective, contractual, elevators, products and professional? 14. Should the writing of liability insurance be permitted on a three year in advance basis at 2½ times the annual and on a 40-30-30 installment plan at 2½ times the annual plus 5%? 15. Do you have any other suggestions for changes to improve the liability manuals, policy forms, or endorsements?

Burglary: 1. Do you feel that there are any features in the present burglary coverages which are troublesome from the standpoint of selling or claim adjustment? 2. What obstacles do you feel prevent wider sale of burglary insurance coverages, both residential and commercial? 3. Should consideration be given to broadening the storekeepers burglary and robbery and the office burglary and robbery policies to provide money and securities coverage on an "all risk" basis? 4. Should the writing of burglary insurance be permitted on a 40-30-30 installment plan at 2½ times the annual plus 5%? 5. Do you have any other suggestions for changes to improve the burglary manual, policy forms or endorsements?

Glass: 1. (A) Have you experienced any difficulty as a result of the recent

change in the residence glass coverage, rules and rates? (B) Would you recommend that the rates and coverage be restored to former levels? 2. Should the writing of glass insurance be permitted on a 3-year basis with the premium payable in advance at the rate of 2½ times the annual and on a 40-30-30 installment plan at 2½ times the annual plus 5%? 3. Do you have any other suggestions for changes to improve the glass manual, policy forms or endorsements?

Education Directors Card Is Set for May Meeting

The program for the annual meeting of Insurance Company Education Directors Society May 23-25 at Skytop, Pa. will feature J. J. Schieffelin of Chubb & Son on basic physical and personnel needs for insurance company education programs; Nelson M. Bell of the Hardware Mutuals on education of clerical employees; A. E. Duncan of Fire Association and F. D. Eubank of Royal-Liverpool on education of field men and underwriters; and William C. Moore of America Fore on education of loss men, auditors, and engineers.

Also L. V. Irvine of Travelers, education of agents and brokers; Charles Henderson, Jr. of North America on creation and operation of a correspondence course; D. J. McGrath of Allstate and J. M. Breen of Lumbermens Mutual Casualty on the birth of a slide film; L. J. Ackerman of the University of Connecticut on the summer fellowship program of American Assn. of University Teachers of Insurance, and Professor John Bickley of Ohio State University on company and university cooperation in research projects.

There will also be a panel made up of Dean H. C. Graebner of Butler University, Professor H. H. Irwin of Wayne University, Mr. Breen, and H. Paul Abbott of North America, who is president of the society. This group will debate the university and company points of view concerning careers in insurance for young men.

At luncheon on May 15 the society will present a certificate of life honorary membership to Dr. S. S. Huebner in recognition of his outstanding contribution to insurance education.

Muskogee Women Organize

A Muskogee, Okla., chapter of National Assn. of Insurance Women has been organized with Mrs. Sue Ann Rider as president. Other officers are Mrs. Thelma Henry and Mrs. Katherine Hawkins, vice-presidents; Mrs. Gene Wyatt, treasurer and editor; and Mrs. Maude LeMaster, recording secretary. The new organization has 12 charter members.

Lawrence, Mass., Assn. Elects

New officers of Greater Lawrence Assn. of Insurance Agents are Samuel A. Reitano, president; J. Philip Dowd, vice-president; J. Edward Comtois, secretary; and Paul C. Campbell, Bart J. Galvin, Richard G. Whipple and Ernest L. Wilkins, directors.

Commissioner Humphreys spoke at the election meeting, describing the operation of the Massachusetts department.

Begins New Fire Rating Class

A new class on schedule rating has been organized by the Fire Underwriters Assn. of the Pacific to start April 19 and continue for 12 meetings—Mondays and Wednesdays. The course includes a comprehensive coverage of the mercantile schedule and all schedule charges. Sam E. Hays, chief engineer of Pacific Fire Rating Bureau, district B, is the instructor.

WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

SPECIAL AGENTS

Exposition program affords unlimited opportunities for capable young men, 25-35, to represent prominent Texas casualty insurance company as special agent in Dallas and Houston. Previous casualty insurance experience desirable. Please furnish full educational and business background, as well as complete personal description, including age, height and weight. Address Y-32, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Home Office Production Manager

Progressive direct writing stock company located in Midwest, offers opportunity to experienced Sales Manager. Background must include Automobile Liability and Physical Damage, Workmen's Compensation and General Liability. Knowledge of Fire desirable. Give age, education, experience, salary requirements. Replies confidential. Box Y-10, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED CASUALTY SPECIAL AGENT

By old responsible Casualty Company Young Man with some casualty underwriting experience in Midwest operating from Des Moines. Right man can make excellent future for himself. Address W-90, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

SPECIAL AGENT TOLEDO, OHIO

Multiple Line Bureau Casualty Company desires special agent to live in Toledo, Ohio. Will handle 16 Counties reporting to Cleveland Branch Office. Field experience not essential but demand 2 years Casualty training. Car furnished. Reply Box Y-16, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE EXECUTIVE

Aggressive insurance executive experienced in all phases of fire and casualty management invites confidential correspondence. Capable of heading up company. Presently Vice President multiple lines company in charge of all operations. Age 46. Address Y-26, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

LOUISIANA OPPORTUNITY

Progressive Multiple Line Stock company desires Louisiana Field Man. In replying state age and experience.

Box Y-30, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

3 Engineer-Inspectors

Opportunity for aggressive, experienced men, interested in becoming associated with a top-rated multiple-line Stock Agency Company with progressive policies, and many outstanding employee benefits. Openings in Nebraska, Michigan and Missouri. Write Box Y-34, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

OPPORTUNITY FOR CASUALTY UNDERWRITER AND SPECIAL AGENT

Progressive participating stock company expanding its operations requires services of both a special agent and an underwriter in Chicago. Prefer men 35 to 45 with approximately 10 years of casualty experience. State age, education and full particulars as to past connections. Reply to The National Underwriter, B-1, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED—STATE AGENT

Large multiple line managerial office has excellent opportunity for a qualified Special Agent for the State of North Carolina. Give Casualty and Fire experience and personal background. All replies confidential. Address P. O. Box 876, Charleston, S. C.

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Large multiple line agency mutual has excellent opportunity in upper New York state for well qualified special agent. Give educational background, experience and other personal information. All replies confidential. Address Box NY4, The National Underwriter, 99 John St., New York 38, N. Y.

EXPERIENCED CLAIMS ATTORNEY AVAILABLE

Five years private practice. Member Missouri and Federal Bars. Wants insurance connection in California. Will be in California for interviews early in April. Write at once, Box Y-28, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FARM SPECIAL AGENT (ILLINOIS TERRITORY)

Opportunity for aggressive experienced man interested in becoming associated with good multiple line stock agency company with progressive policies and many ideal employee benefits. Reply in strictest confidence to Y-24, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE FIELD MAN

With working knowledge of Inland Marine wanted by large multiple line group of Insurance companies for Western Michigan territory. Write giving full particulars, including salary requirements to Y-29, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ATTORNEY WANTED—WIS.

Unlimited future for man with knowledge of Wis. auto & comp. laws. Should have two or three years experience adjusting and settling auto & comp. cases. Opportunity to obtain interest in business. Address Y-33, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

N. Y. Dept. Authorized to Examine Welfare Funds

(CONTINUED FROM PAGE 2)

ceived, ranging up to 45%. Such misuse resulted from excessive salaries, expense allowance and fees for work performed or payments for work not performed at all; purchase of unneeded expensive automobiles, including gifts of cars, arbitrary and exorbitant charges for expenses by the union; legal and accounting charges not proportionate to the services rendered; payments to union officials for expenses of attending union conventions; payment of so-called management fees to agents and brokers for alleged services normally performed by producers or insurers without charge, and payments to trustees out of proportion to the services rendered.

There were many instances of loans, often unsecured and seldom repaid, to union officers, parent unions or other unions to finance projects having no connection with the welfare fund's purpose, such as financing strike benefits, erecting or renovating union headquarters, financing trips of union officials to union conventions, purchasing expensive automobiles for union officials and promoting other union activities.

There was disclosed a lack of proper administrative procedures, such as inadequate accounting records and in some instances a failure to record transactions. Several welfare funds failed to invest funds and left large sums in commercial banks without earning interest. Many trustees failed to discharge normal managerial responsibility. This was apparent from the infrequent meetings of trustees, the lack of minutes of trustee meetings and the laxity of employer trustees.

Certain provisions in some welfare plans as well as the conduct of some officials charged with administration were not in the best interests of beneficiaries. In some cases far too extensive powers were conferred on trustees or administrators by the trust agreements which exceeded limitations proposed by custom and prudence. In one welfare fund the president of the union was appointed administrator irrevocably with termination only by death or voluntary resignation. There is no limit on his salary, which he is authorized by trust indenture to fix, unilaterally. There was also evidence of discrimination in the favor of union and welfare fund officials at the expense of the rank and file. In many instances larger benefits were granted to officials than were available to membership.

There was evidence of kick backs to union and welfare fund officials. Records of agents and brokers disclosed that checks were drawn periodically to cash in amounts which were an exact percentage of premiums paid by the welfare funds involved. Some checks were endorsed by fund officials and others bore the initials of these officials on check stubs. There was evidence of gifts to welfare fund officials. Salary payments were made by agents and brokers to welfare fund and union officials and their relatives. Union and welfare fund officials or their relatives acted as agent or broker for the welfare funds with which they were connected.

Excessive rates of operating expenses to contributions were the exception and not the rule, but high expenses were incurred in a large enough

number of instances to warrant concern that money intended for worker benefits is being dissipated in many instances. The survey indicated an unduly conservative accumulation of surplus funds, which resulted in failure to distribute benefits reasonably adequate in relation to employer contributions.

Insurers furnishing group cover for union welfare plans maintained a generally high level of benefit payments. This high average, however, tended to conceal the poor performance of the few companies that paid excessive commissions and administration fees. Serious abuses were uncovered in the case of two insurers. These abuses were promptly corrected by the department. But there were indications that these practices were not confined to these two insurers.

The department noted that substantial commissions and fees on union group cases which can be shared with third parties, such as union and welfare fund officials and their families, can be dealt with by the department under its statutory control over licensees. But management fees to agents

by welfare funds are beyond the reach of the department.

Workable standards can be developed only after comprehensive study of the operations and problems peculiar to welfare plans, Mr. Bohlinger states.

More than 3 million citizens of the state, about 25% of the total population, have a stake in employee benefit plans, the report continues. At least \$365 million is paid annually to union health, welfare and pension plans and self-administered employer pension plans and \$2.5 billion in assets already has been accumulated by such plans.

These plans are affected with public interest, especially self-administered pension plans that do not provide benefits through the purchase of annuity contracts.

Only certain aspects of employee benefit plans are regulated. As they are insured, the insurance department supervises insurers. But supervision does not extend to money disposition of welfare plans except money used to pay premiums. They should have affirmative regulation and supervision.

There is a notable absence of any generally accepted standards which

can serve as guides to responsible trustees.

Mr. Bohlinger stressed that the measure he recommended, and which was adopted, was not intended to invade normal trade union activity nor the customary business affairs of the employer.

N. H. Agency Cost Study

New Hampshire Assn. of Insurance Agents is conducting a questionnaire survey of members on agency income and expense. The information will be for the benefit of its own members, so they can compare themselves with other agencies and with national averages. The information will not be identified by agency.

The data will be used to answer such questions as how much traveling and entertainment expense should be charged off for tax purposes, comparison of salaries paid, number of employees in relation to income, etc.

Wiley F&D Manager in Wash.

F. Hugh Wiley, special agent at Spokane of Fidelity & Deposit and American Bonding, has been named assistant manager of the branch.

AMERICAN HOME ASSURANCE COMPANY

FINANCIAL STATEMENT AS AT DECEMBER 31, 1953

ADMITTED ASSETS

*Bonds—United States Government.....	\$1,250,545.20
*Bonds—All Other.....	695,295.44
*Stocks.....	3,750,182.00
Cash on Hand and in Banks.....	686,021.73
Premium Balances (Less Ceded Reinsurance Balances).....	356,606.89
Bills Receivable, taken for Premiums.....	29,756.92
Interest Due and Accrued.....	19,718.09
Other Admitted Assets.....	388,733.34
	<u>\$7,176,859.61</u>

LIABILITIES

Reserve for Losses and Loss Expenses.....	\$ 366,625.04
Reserve for Unearned Premiums.....	1,789,601.60
Reserve for Expenses, Taxes (Including \$69,468.20 Federal Income Taxes) and Contingent Commissions Due or Accrued.....	178,493.88
Funds held under Reinsurance Treaties.....	295,465.24
Reserve for all other Liabilities and Items.....	52,156.10
	<u>\$2,682,341.86</u>
Capital Stock (100,000 shares \$10.00 Par Value).....	\$1,000,000.00
Surplus.....	3,494,517.75
	<u>\$7,176,859.61</u>

POLICYHOLDERS' SURPLUS \$4,494,517.75

*Bonds and stocks are carried on the basis prescribed by the Insurance Department of the State of New York. If actual December 31, 1953 market quotations had been used, the Policyholders' Surplus would be \$4,455,659.93. Securities carried herein at \$274,990.07 are deposited with State Departments as required by law.

HOME OFFICE

111 WILLIAM STREET, NEW YORK 38, N. Y.

INLAND MARINE DEPARTMENTS

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New York 38, N. Y.

102 Maiden Lane
New York 5, N. Y.

OCEAN MARINE DEPARTMENT

102 Maiden Lane
New York 5, N. Y.

FOREIGN DEPARTMENTS

102 Maiden Lane, New York 5, N. Y.
206 Sansome Street, San Francisco 4, Calif.

Report on 1953 Company Results

Surplus in the following reports refers to surplus to policyholders.

	Premiums Earned	Losses Incurred		Premiums Earned	Losses Incurred
Century Lloyds, Houston —Assets, \$1,304,147, inc., \$217,436; loss res., \$216,649; unearned prem., \$682,765; capital, \$100,000; surplus, \$313,883, inc., \$136,712.			Extended coverage	16,974	17,246
Fire	14,652	13,015	Liability (not auto)	50,836	17,449
Extended coverage	10,091	5,202	Auto liability	310,235	100,072
Expl., riot, civil comm.	466		Auto PDL	203,520	86,893
Inland marine	6,539	2,598	Auto phys. dam.	301,277	99,645
Liability (not auto)	841		Total	996,791	384,693
Auto liability	340,603	167,394	Federal Mutual Fire —Assets, \$3,576,630, inc., \$506,513; loss res., \$190,860; unearned prem., \$1,934,779; guaranty capital, \$200,000; surplus, \$1,000,000, inc., \$300,000.		
Auto PDL	229,837	123,177	Fire	963,231	312,074
Auto phys. dam.	680,825	428,084	Extended coverage	229,749	220,849
P.D. (not auto)	228	—106	Torn., wind (ex. crops)	223	34
Fidelity	165		Sprinkler and water dam.	4,914	386
Surety	4,785		Expl., riot, civil comm.	5	
Total	1,289,033	739,363	Earthquake	1,004	24
Farm Bureau Mutual, N. H. —Assets, \$2,413,939, inc., \$298,244; loss res., \$246,174; unearned prem., \$306,689; surplus, \$1,597,719, inc., \$208,844.			Inland marine	127,369	52,764
Fire	113,949	63,388	Aircraft phys. dam.	246	
			Auto phys. dam.	462,968	171,214
			Excess Reins.	—65,207	—109,256
			Total	1,724,502	648,089
			Guaranty F. & M., S. C. —Assets, \$1,133,932, decr., \$421,094; loss res., \$93,347; unearned		

prem., \$344,801; capital, \$200,000; surplus, \$294,592, decr., \$34,997.

	Premiums Earned	Losses Incurred
Fire	68,480	134,758
Extended coverage	29,6932	4,321
Torn., wind (ex. crops)	892	873
Sprinkler and water dam.	—121	
Crop-Hail	3,706	80
Inland marine	3,927	
Accident	—113	
Auto liability	144,749	48,723
Auto PDL	—5,599	58,731
Auto phys. dam.	937,652	606,426
Glass	1,418	312
Chattel Mortgage	895	583
Total	1,185,378	855,174

Interstate Indemnity —Assets, 4,965,226, inc., \$1,537,402; loss res., \$553,689; unearned prem., \$3,775,484; capital, \$300,000; surplus, \$573,140, inc., \$234,477.		
Liability (not auto)	584	61
Auto liability	93,367	53,517
Auto PDL	58,351	41,209
Auto phys. dam.	4,171,791	2,481,480
P.D. (not auto)	489	315
Total	4,324,582	2,576,582

Ohio Casualty —Assets, 52,006,976, inc., \$5,438,055; loss res., \$11,152,984; unearned prem., \$21,364,838; capital, \$2,500,000; surplus, \$13,470,026, inc., \$699,381.		
Aircraft phys. dam.	196	
Accident	7,427	1,380
Workmen's comp.	1,860,345	858,423
Liability (not auto)	2,614,384	626,971
Auto liability	12,918,060	5,654,753
Auto PDL	9,258,877	4,372,766
Auto phys. dam.	10,346,425	4,245,317
P.D. (not auto)	815,248	192,534
Fidelity	532,590	87,955
Surety	842,759	—16,659
Glass	585,137	207,405
Burglary, theft	969,948	333,879
Auto Medical	1,470,691	826,798
Total	42,242,087	17,391,562

Ohio Ins. —Assets, \$5,864,508, inc., \$703,628; loss res., \$247,360; unearned prem., \$2,263,963; capital, \$1,000,000 surplus, \$2,916,918, inc., \$205,921.		
Fire	421,988	203,157
Extended coverage	168,914	72,096
Torn., wind (ex. crops)	406	64
Sprinkler and water dam.	86	
Earthquake	40	
Inland marine	15,483	3,717
Aircraft phys. dam.	15,575	7,492
Auto phys. dam.	2,410,470	1,155,955
Burglary, theft	58	47
Total	3,033,020	1,442,528

Louisville F. & M. —Assets, \$3,302,163, inc., \$259,352; loss res., \$129,834; unearned prem., \$1,170,434; surplus, \$1,213,605, inc., \$9,247.		
Fire	672,666	304,527
Extended coverage	288,690	191,151
Torn., wind (ex. crops)	3,500	1,834
Sprinkler and water dam.	269	13
Expl., riot, civil comm.	276	37
Earthquake	375	328
Crop-Hail	1,316,684	766,580
Inland marine	120,202	44,391
Liability (not auto)	33	
Auto phys. dam.	855,168	529,917
Total	3,257,869	1,838,781

Marquette Casualty, La. —Assets, \$1,304,772, inc., \$318,335; loss res., \$207,700; unearned prem., \$319,078; capital, \$450,000; surplus, \$620,574, inc., \$166,454.		
Fire	17,240	8,989
Extended coverage	4,328	2,404
Torn., wind (ex. crops)	202	47
Sprinkler and water dam.	—38	
Expl., riot, civil comm.	34	
Workmen's comp.	68,306	58,023
Liability (not auto)	11,340	962
Auto liability	205,679	132,093
Auto PDL	110,544	66,974

	Premiums Earned	Losses Incurred
Auto phys. dam.	142,204	84,028
P.D. (not auto)	3,286	1,399
Glass	111	
Burglary, theft	1,819	1,222
Total	565,059	334,220

Merrimac, Selma, Ala.—Assets, 304,194, decr., \$186; loss res., \$10,036; unearned prem., \$119,974; capital, \$140,400; surplus, \$173,249, inc., \$37,744.

Fire	13,888	11,067
Extended coverage	4,630	
Auto phys. dam.	171,030	95,912
Total	189,548	107,922

New Zealand—Assets, \$13,805,624, inc., \$230,330; loss res., \$1,293,900; unearned prem., \$6,206,418; capital, \$750,000; surplus, \$5,563,178, inc., \$129,060.

Fire	3,234,143	1,598,404
Extended coverage	637,742	275,372
Torn., wind (ex. crops)	13,081	1,888
Sprinkler and water dam.	13,747	3,954
Expl., riot, civil comm.	4,309	475
Earthquake	41,544	—999
Ocean marine	303,710	184,455
Inland marine	333,300	147,769
Liability (not auto)	69,782	24,456
Auto liability	310,507	225,953
Auto PDL	188,028	100,859
Auto phys. dam.	564,987	277,465
P.D. (not auto)	14,237	9,806
Glass	10,731	5,805
Burglary, theft	28,645	18,735
Home owners	1,708	375
Total	5,770,201	2,874,572

Preferred Exchange, Seattle—Assets, \$898,824, inc., \$91,689; loss res., \$231,387; unearned prem., \$332,527; surplus, \$223,281, inc., \$10,505.

Liability (not auto)	7,436	4,370
Auto liability	326,334	215,508
Auto PDL	277,682	135,807
Auto phys. dam.	353,526	146,142
P.D. (not auto)	3,249	
Glass	635	202
Burglary, theft	2,904	336
Auto misc.	16,790	1,064
All other	1,303	
Total	989,859	502,929

Saskatchewan Guarantee & Fidelity, Regina—Assets, \$1,543,943, inc., \$533,659; loss res., \$184,710; unearned prem., \$490,063; capital, \$250,000; surplus, \$284,641, inc., \$86,604.

Fire	497,897	242,174
Torn., wind (ex. crops)	19	
Crop-Hail	174,874	116,376
Ocean marine	90,376	113,124
Inland marine	13,995	8,910
Aircraft phys. dam.	446	125
Accident	14	
Auto BI and PDL	110,976	4,862
Auto phys. dam.	332,820	124,849
Fidelity	67,087	12,685
Glass	1,218	773
Burglary, theft	1,233	
Boiler, machinery	2,634	
Total	1,293,614*	624,896*

*Premiums are premiums written, not premiums earned. Losses are losses incurred.

Standard Marine—Assets, \$10,248,835, decr., \$7,491; loss res., \$1,757,520; unearned prem., \$4,316,142; statutory deposit \$500,000; surplus, \$4,239,185, inc., \$342,393.

Fire	1,282,542	723,689
Extended coverage	245,243	110,941
Torn., wind (ex. crops)	9,891	1,510
Sprinkler and water dam.	14,951	5,717
Expl., riot, civil comm.	1,380	554
Earthquake	8,811	—490
Ocean marine	1,485,365	704,113
Inland marine	116,092	331,311
Aircraft phys. dam.	4,160	1,275
Auto phys. dam.	1,112,023	495,543

AUTO

RACING



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Phone ATwood 1635

808 Reich Building
SPRINGFIELD, ILL.
Phone Springfield 8-4305

1535 Wilshire Boulevard
LOS ANGELES 17, CALIF.
Phone Dunkirk 8-3161

1926

our 28th year

1954

Losses
Incurred
\$
84,028
1,399
1,222
354,220

04, decr.,
m., \$119,-
49, incr.,
11,067
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110,941
1,510
5,717
554
-490
704,113
331,311
1,275
495,543

	Premiums Earned \$	Losses Incurred \$
Burglary, theft	17	6
Boiler, machinery	3	
Total	5,080,478	2,374,169
Tennessee Farmers Mutual—Assets, \$1,963,-		
865, incr., \$1,615,465; loss res., \$570,278; un-		
earned prem., \$494,879; capital, \$520,750; sur-		
plus, \$785,515, incr., \$437,115.		

Liability (not auto)	16,040	7,360
Auto liability	682,916	299,020
Auto PDL	351,045	276,133
Auto phys. dam.	340,165	244,342
P.D. (not auto)	4,485	1,861
Total	1,594,652	828,736

Truck Exchange, Los Angeles—Assets, \$24,-
206,632; incr., \$3,095,998; loss res., \$8,988,994;
unearned prem., \$4,889,762; surplus, \$7,219,491,
incr., \$2,196,157.

Inland marine	823,904	310,592
Workmen's comp.	3,164,972	1,778,630
Liability (not auto)	745,339	192,820
Auto liability	6,468,600	3,805,849
Auto PDL	3,910,153	2,059,217
Auto phys. dam.	5,232,872	1,986,005
P.D. (not auto)	256,844	150,392
Total	20,605,184	10,283,504

Utilities Mutual, N. Y.—Assets, \$8,886,028,
incr., \$1,037,849; loss res., \$5,098,168; unearned
prem., \$333,692; contingent surplus \$300,000;
surplus, \$2,702,730, incr., \$481,083.

Vermont Accident—Assets \$497,316, incr.,
\$6,075, loss res., \$65,799; unearned prem., \$88,-
389; capital, \$100,000; surplus, \$311,178, decr.,
\$2,259.

Accident	1,364	1,054
Health	501,348	311,035
Group A. & H.	272,673	203,686
Total	775,385	515,775

West American—Assets, \$3,337,293, incr.,
\$125,041; loss res., \$519,039; unearned prem.,
\$332,088; capital, \$700,000; surplus, \$1,641,645,
incr., \$134,220.

Workmen's comp.	191,987	86,454
Liability (not auto)	100,008	33,870
Auto liability	668,500	268,101
Auto PDL	362,604	163,048
Auto phys. dam.	529,767	231,936
P.D. (not auto)	32,339	5,029
Fidelity	1,346	-557
Surety	4,219	-1,825
Glass	28,656	14,375
Burglary, theft	30,799	13,545
Total	1,950,225	813,976

Western Millers Mutual, Mo.—Assets, \$2,-
\$33,561, incr., \$365,271; loss res., \$171,805; un-
earned prem., \$1,350,325; capital, \$96,500; sur-
plus, \$901,430, incr., \$94,966.

Fire	1,128,998	407,267
Extended coverage	204,456	114,012
Torn., wind (ex. crops) ..	40,765	14,454
Sprinkler and water dam.	4,413	144
Expl., riot, civil comm.	72	
Earthquake	639	34
Inland marine	71,594	28,858
Auto liability	76,347	35,731
Auto PDL	39,735	22,065
Auto phys. dam.	189,467	97,539
Comprehensive	210	23
Householders limited theft ..	15	9
Total	1,752,711	720,156

Virginia Upholds Law of Retaliatory Deposits

Virginia supreme court has upheld the retaliatory feature of the state's insurance laws in a case involving Equitable F. & M. of Rhode Island which had appealed a corporation commission order requiring it to deposit an additional \$90,000 with the Virginia state treasurer to bring the deposit up to the level demanded by Rhode Island companies of Virginia companies doing business in the former state.

In general, the unanimous decision pointed up Virginia's stand that an out-of-state company doing business in Virginia must deposit as much surety with that state as that company demands of a Virginia company conducting business in its home state.

Upholding of the law followed notification to the Virginia commission by the Rhode Island commissioner that a Virginia company had to put up an additional \$90,000 in order to operate in Rhode Island. Four other Rhode Island companies had complied with the Virginia laws, Equitable F. & M. being the only one which chose to carry its case to the Virginia commission. Writing the opinion was Justice Archibald Buchanan.

To Insure State Vehicles

The state of New Hampshire is seeking proposals for auto liability on all state owned motor vehicles. The policy will be effective May 1 and will be 50/100/20 limits. Plans may be submitted only by resident licensed agents of companies whose policies are offered.

American States Brings Out Broader PDL Cover for CPL

American States has had approved in all states in which it operates a voluntary property damage coverage in connection with comprehensive personal liability.

The new endorsement, for an annual premium of \$2, provides \$250 coverage for "actual physical damage to or destruction of property of others" without regard to the insured's legal liability. There is no exclusion for property in the care, custody or control of the insured, and neither is there a requirement that damage be caused accidentally.

The coverage was developed by R. E. Tolan, vice-president, with the intention to eliminate disputes as to coverage under the standard PDL provisions in the CPL. There is clear cut coverage for damage claims caused by small children, damage to borrowed property, etc.

There are exclusions for injury to or destruction of property (1) arising out of or in connection with any business,

profession, occupation or industrial enterprise of the insured (2) owned, leased or rented to an insured or any other person whose principal residence is within the household of the named insured, (3) arising out of ownership, maintenance, existence or use of any boat, aircraft, self-propelled vehicle, farm animal, farm machinery or equipment, (4) assumed by an insured under any contract, or (5) if payment may be made under any other insuring agreement of the policy.

American State's CPL provides \$500 medical expense instead of the standard \$250 and covers for business pursuits such as newspaper delivery, baby sitting and similar incidental business activities ordinarily undertaken by minors, as well as a construction permit without charge.

Michigan Mutual Liability has been awarded a bronze "Joshua" plaque for the most distinguished use of match book advertising by an insurance company in 1953 by a panel of leaders in advertising. Top award in life insurance went to Government Employees of D. C. America Fore won a certificate award.

Rockford Agents Holding Insurance Buyers Meet

Rockford (Ill.) Assn. of Insurance Agents, is holding its annual insurance buyers' conference there today. Lead-off speaker is Norman H. Davis, Jr., executive engineer of Underwriters Laboratories, who will discuss various aspects of his organization's activities.

Bernard J. Daenzer, secretary of Security Ins. Co., will detail important facts about "The Homeowners Policy". He is followed by Benjamin Horton, executive secretary of National Assn. of Independent Insurance Adjusters and general manager of Horton Adjustment Co. of Louisville, on "1954 Loss Adjustment."

Starting off the afternoon session is Harold C. Watson of Baerwald, Hoffman & Co. of Milwaukee, discussing extended automobile medical payments, discarding of the annual extension endorsement and term treatment on merchandise held for sale. Richard W. Hammann, assistant secretary of Travelers, then speaks on "Fidelity Insurance." The wind-up speaker, Harry W. Melville, vice-president of American of New Jersey, is presenting various aspects of "Multiple Line Underwriting".

Forty-First Annual Statement December 31, 1953

Assets

United States Government Securities	\$ 4,007,012.43
Industrial, Rail, Utility, and Other Bonds	15,247,621.09
Bank Stocks	700,346.96
Industrial and Utility Stocks	4,454,677.04
Accrued Interest on Investments	139,188.44
Cash in Banks and Offices	1,199,385.85
Premiums Due (Not Over 90 Days)	422,663.32
Other Assets	20,001.21

Total Admitted Assets \$26,190,896.34

Liabilities

Reserve for Unpaid Claims	\$13,712,651.92
Reserve for Unearned Premiums	3,504,185.33
Reserve for Taxes, Expenses, and Unabsorbed Premium Refund	1,710,571.71
Reserve for All Other Liabilities	831,478.90
Voluntary Reserve	3,232,008.48
Surplus (including Guaranty Fund of \$1,000,000.00)	3,200,000.00

Total Liabilities and Surplus \$26,190,896.34

Valuation of securities on National Association of Insurance Commissioners Basis.
Securities carried at \$356,278.67 in this statement are deposited as required by law.

REINSURANCE

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Facets of Foreign Fire Field Reviewed by Manton

(CONTINUED FROM PAGE 10)

subject to hurricane, and fire following earthquake are similarly tariffed in territories subject to earthquake. Otherwise, supplemental peril rates are not usually a matter of tariff. It might be thought that this procedure could lead to undermining fire rates. There are, no doubt, instances where competition for a particular piece of business may lead to the throwing in of additional perils for the fire rate, but this does not appear to be a serious problem.

Any currency desired by the insured is used, provided that the premium is paid in the same currency. However, some countries, as a measure of exchange control, will not permit property in their jurisdiction to be insured in other than the national currency. Usually insurance is written in the currency of the country.

Instability of some currencies does lead to some demand even on the part of nationals to insure their property in U. S. dollars or Swiss francs or other convertible currency and, to some extent, this is perfectly legitimate, but there is surprisingly little demand for dollar coverage on the part of foreign nationals even in countries with extremely unstable currencies.

American owned properties are a special case. Usually they represent a dollar investment on the part of their owner who would prefer to collect a loss in dollars rather than in the currency of the country where the property is located. Insurance in local currency in these days of exchange controls can rarely be completely satisfactory to American owners of foreign property.

Most countries, in addition to the normal filing requirements, oblige an American company desiring to transact fire or other lines of business to put up a guarantee deposit and locally invest premium and loss reserves, os-

tensibly for the protection of local policyholders. The trouble is that deposits must usually be represented by local currency investments and are apt to be deflated by currency devaluations.

To qualify for fire insurance in a certain territory some years ago, a deposit was constituted in local government bonds as required by law. This cost the U. S. \$150,000. Because of currency devaluation, the dollar equivalent of the deposit is now \$45,000 at the official rate of exchange. The equivalent at the so-called free market is about \$25,000. If it had been possible under the law of the country concerned to constitute the guarantee in some U. S. dollar investment, the equivalent would still be \$150,000 which would buy four times more local currency than actually exists.

Considerable capital investment is required to establish a representative plant overseas. Good underwriting profits must be earned to remunerate such capital in view of the hazards of depreciation. For this reason, underwriters engaged in foreign business feel the traditional 5% underwriting margin is insufficient.

Many countries prohibit nonadmitted insurance under penalties of varying severity, primarily designed to protect the national market against outside competition. Although such regulations interfere with freedom of contract, there is something to be said for them from the standpoint of the admitted companies which bear the burden of putting up local capital and a local plant and pay local taxes, whereas outside insurers do not.

Some laws limit the scope of American and other foreign companies and often of the locally incorporated companies as well. These sometimes allow only national companies to operate, specifying that shareholders must be nationals of the country concerned. In other cases reinsurance monopolies have been established to which admitted companies must cede a quota

of all business or the surplus over artificially fixed retentions. Although these devices ostensibly are to protect the economy of the country where they exist, their ultimate effect is to raise the cost and limit the scope of the insurance afforded to the public.

Exchange controls afford another example of laws which constantly concern insurance companies attempting to do an international business. They limit the freedom with which companies can move balances from one territory to another. This is serious because of interference with proper working of the spread of risk theory. It is possible to have profits frozen in one territory while obliged at the same time to remit home office funds to another where there is a loss.

Ky. Fire Marshal Tax Is Revised, Not Premium Tax

It was reported in THE NATIONAL UNDERWRITER last week that the Kentucky premium tax had been increased one-half of 1% to three-quarters of 1%. This is in error. There was no change in the premium tax, but there was a change in the fire marshal tax in the amount mentioned. Also, the tax was revised to include the fire business of casualty companies.

The law previously had taxed fire companies for all of their premiums at the rate of one-half of 1% for the fire marshal tax. Under the new bill, the fire companies will pay three-quarters of 1% of the premiums for fire business only, and casualty companies will pay a like amount on their fire business. The fire business is defined to include the fire portion of other premiums and including inland marine and auto physical damage.

N. Y. Taxpayers Mutual Elects

Greater New York Taxpayers Mutual has elected Isidor Berger president, John J. Berger general manager, H. P. Doworsky and Melville L. Levy vice-presidents, Dorothy Jacobs treasurer, Frank E. Jaeger secretary, Samuel S. Isaacs assistant secretary, Ira Rosenstock assistant treasurer, and Murray Levine claim manager.

LIAMA's A&H Group Meets at Chicago; Shaffer Elected

(CONTINUED FROM PAGE 4)

cedure and answers practically all questions the career agent wants to know about the company, its products, and his future with it.

"We pass on to our general agents the thought that they must have knowledge and with knowledge they must have an evangelistic spirit toward young agents in helping them and encouraging them on the road to success."

Leon Tracy, Prudential, discussed the integrating of the company's sickness and accident program in the ordinary life department. He explained the first major problem to be met after developing the policies themselves was training.

He said there is definitely a positive feeling that A&H has helped the overall operations of the department. Successful A&H production helps rather than hinders life sales. He said it will, however, take some time to convince men with the company several years or longer that A&H is a much needed partner with life.

By integrating A&H with life, an agent can convert the interview from a plan of life insurance to a plan of income protection. The needs are exactly the same—a person's income has stopped and the family needs that income.

"We are developing an A&H sales consultant program of working with the agencies and doing joint field work with assistant managers until they feel they are able to do the same thing for agents by going out and making joint sales with them. There is nothing that gives agents greater confidence in A&H."

The Thursday evening session opened opportunities for informal question-and-answer discussion. E. J. Faulkner presided as moderator. Panel members were Ardell T. Everett, Prudential; Paul A. Parker, Old Line Life; Harry J. Shaffer, Lincoln National; Walter F. Schmitz, Occidental. Considerable lively discussion arose from the floor, particularly regarding questions raised about public relations, guaranteed renewable policies and policies renewable at the company's option. Other discussions in which interest was shown dealt with practices in allowing competition or contest credits on a combination basis, substandard coverages, and comparisons of loss-of-time and hospital expense business as to sales and persistency.

Fete Seyler-Day on 50th

Seyler-Day Co., one of the largest general agencies in Los Angeles, this month is celebrating its 50th anniversary as general agents for National Surety, and in commemoration of the event members of the firm and its employees were guests at a luncheon given by President Ellis Carson of National Surety. Arden L. Day, present head of the agency, was honor guest along with his associates, including H. Everett Charlton and Wallace Hicks, as well as Arden, Jr., and Larry Day, sons of the senior member of the firm. Joining with Mr. Carson in sponsoring the luncheon were Manager Myron C. Higby, of the Los Angeles office and Walter H. Braden, claims manager in the office.

Gentry Talks to Claims Assn.

Inland Marine Claims Assn. at its March meeting heard Baxter Gentry, secretary of Aetna Fire, discuss manufacturers' out-pat.

CITIZENS CASUALTY COMPANY OF NEW YORK

(A Stock Company)

FINANCIAL STATEMENT, DECEMBER 31, 1953

ASSETS		LIABILITIES	
Cash in Banks and Offices.....	\$1,739,329.61	Reserve for Losses and Loss Expense	\$2,183,438.00
U. S. Government Bonds.....	1,358,750.37	Reserve for Taxes.....	136,500.00
State, County and Municipal Bonds	1,850,017.27	Reserve for Unearned Premiums..	1,044,583.74
Other Bonds and Stocks.....	1,189,148.81	Funds Held Under Reinsurance Treaties	1,273,711.67
First Mortgage Loans.....	9,125.00	Other Liabilities	226,505.94
Real Estate	3,762.32	Capital	\$1,000,000.00
Accrued Interest	17,507.20	Surplus	716,099.31
Premiums in Course of Collection..	290,736.80	Surplus to Policyholders.....	1,716,099.31
Other Assets	122,461.28	Total	\$6,580,838.66
Total Admitted Assets.....	\$6,580,838.66		

Securities carried at \$1,246,682.60 in the above statement are deposited as required by law.
Bonds and stocks are valued in accordance with the basis adopted by the National Assn. of Ins. Commissioners.

Home Office

116 John Street, New York 38, New York

ACCIDENT & HEALTH

S. F. Medical Society Is Setting Up Health Plan

San Francisco Medical Society is in the process of setting up a prepaid health insurance program which it expects will be more comprehensive than that offered by California Physicians Service or Blue Cross. The action apparently is prompted by the activities of the Kaiser Foundation, which operates the Permanente Hospitals with a closed panel of physicians for medical and hospital services.

The culinary workers' unions at San Francisco recently contracted with the Kaiser Foundation. This is a group of some 12,500 which has had its contracts with Connecticut General Life, Occidental Life and Continental Casualty cancelled because of high loss costs.

Chelgren, Reichel Named by North American L. & C.

North American L. & C. has promoted Paul Chelgren from 2nd vice-president and assistant director of agencies to 2nd vice-president and superintendent of agencies. Eugene L. Reichel has been appointed assistant director of agencies.

Mr. Chelgren joined the company in 1951 after nine years as general agent for Mutual Trust Life at Minneapolis. He entered insurance in 1938 with New York Life at Eau Claire, Wis.

Mr. Reichel has been with Midland National Life of South Dakota as home office supervisor in charge of Minnesota, Iowa, Illinois and Kansas. A navy air force veteran, he has been in insurance since 1946.

No Blue Cross Increase

Virginia Hospital and Medical Service Assns., the Virginia branches of Blue Cross and Blue Shield, have been denied higher rates for hospitalization and medical-surgical services.

The two agencies can file another application as soon as they wish, according to the split decision given by the Virginia corporation commission, but Dr. Richard J. Ackert, executive director, said it had not yet been decided to do that or appeal to the supreme court.

The Blue Cross lost \$79,900 in January and \$69,900 in February, Dr. Ackert said. The losses were taken from the \$212,000 surplus. He predicted a deficit by May if the losses continue at the same pace.

Joint Milwaukee Meet

MILWAUKEE—Members of Milwaukee Assn. of Life Underwriters met with the A&H Underwriters of Milwaukee at a joint luncheon meeting with the A&H agents hosts to the life agents.

Speaker was Tom Callahan, Time, Milwaukee, president of International Assn. of A&H Underwriters. He talked on "association planning," and also discussed his personal selling methods.

Dale B. Potts, Occidental Life of California, A&H president, announced plans for a two-day convention and sales congress of the Wisconsin A&H Assn., to be held in Milwaukee Aug. 27-28.

A&H Assn. Hears Osler

Passage of the administration's health reinsurance bill will mean socialized medicine in 25 years or sooner, R. W. Osler, vice-president Rough Notes Co., charged before the annual convention of the Louisville A&H Assn.

"The administration says the problem is extending health insurance coverages to groups to whom it is not now readily available—meaning the margin-

nal income, over-age, and uninsurable groups," he said. "If true reinsurance would solve this problem, it would have been solved years ago because adequate, worldwide reinsurance facilities exist for any insurable risk. But nothing can cover an uninsurable risk, except a subsidy, and that is all the bill amounts to."

Mr. Osler urged the agents present to oppose the reinsurance bill in every way possible and, especially, to point out to contacts in the medical profession the socialization danger to them in the scheme.

"Experts" Panel Is Big Success at Cincinnati

Cincinnati Assn. of A. & H. Underwriters conducted another of its popular "stump the experts" programs at its March meeting, when three local members served on the answer panel. That this kind of program is well liked was indicated by the fact that the entire audience chose to over-stay the usual meeting time in order to hear more questions discussed.

Panel members were William R. Dignan of W. R. Dignan Associates, Robert G. Myers, general agent Massachusetts Protective, and F. G. Shepard, executive officer, weekly premium division of Inter-Ocean. R. W. Bickelhaupt, president of the Ohio association, was moderator.

Most of the questions were received in advance from members by mail. Taylor Clark of Inter-Ocean, association treasurer, obtained them by writing members and telling them that if a member had no questions it would be presumed that he "knew all the answers" and this would automatically make him a candidate for the panel. Result: Plenty questions. In addition, there were questions and discussions from the floor.

Major subjects discussed were income tax on premiums and benefits, accidental means, standard provisions, insurance coverage of national earning power, difference between commercial and industrial, amounts of indemnity limits, agent's acceptance of past-due premiums, non-occupational rating, major medical, policy delivery, more extended non-cancellable coverage for women, adequacy of coverages, cancellable versus non-cancellable insurance, and lapse prevention.

N. J. A&H Assn. Hears Cassidy on Report Value

Guest speaker at the March meeting of New Jersey A&H Assn. was William W. Cassidy, Newark assistant manager of Retail Credit Co., who spoke on the importance of reports in the A&H industry. He emphasized that not only the companies but the producers benefit by accurate and disinterested reports, inasmuch as they lead to sound and profitable production for both parties. The reporting company also benefits in direct relationship to the progress of these parties.

To uncover up-to-date and pertinent information, the inspector must be given clues and points of special caution to be watched in making the report, Mr. Cassidy said, but he must not be furnished with too much file information. Rather, the findings of his investigation should be checked against detailed filed information after the field work is done. The best information seems to be developed through the subject's business connections and neighborhood informants must be closely evaluated to avoid prejudiced reports. With the moral hazard being of equal or greater importance to physical status, the speaker felt that reports are a "must" to successful underwriting.

Schmitz Now Occidental A&H Superintendent

Walter F. Schmitz has been advanced from associate superintendent to superintendent of Occidental Life of California's A&H department. He succeeds Duncan C. McEwen, retired.

Mr. Schmitz joined Occidental in 1940 as A&H agency assistant, and since has held increasingly important positions until becoming associate superintendent in 1951.

Before joining the company he had 12 years' experience in A&H field sales and home office work with Travelers and Loyalty group. He has addressed many A&H gatherings and now is a member of the LIAMA A&H committee. He has served on several committees of Bureau of A&H Underwriters.

Form New Ind. A&H Assn., Iiams President

The existing Indiana A&H Assn., whose membership has been confined largely to Indianapolis, has changed its name to Indianapolis Accident & Health Assn. and a new state associa-

tion has been formed which will set up additional local associations in the state.

Officers of the new Indiana association are: President, Noel Iiams, Business Men's Assurance, Indianapolis; vice-president, E. H. Frei, South Bend; secretary-treasurer, R. W. Osler, Rough Notes Co., Indianapolis.

Presiding at the meeting was Spafford Orwig, Orwig agency, Indianapolis, a board member of the International association and chairman of the executive committee of the Indianapolis association.



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C. Reid Cloon, Vice-President

Elect Weisensel in Wis.

Leonard Weisensel was elected president of Western Wisconsin Assn. of A&H Underwriters at a meeting at La Crosse. Joseph Gittens was named vice-president, Walter Dopke secretary, and A. J. Joyce treasurer.

W. J. Holt Promoted

W. J. Holt, division manager of Inter-State Assurance of Des Moines, has been promoted to supervisor of agencies. Mr. Holt has for many years been active in the agents' organization, and is a former president of Peoria Assn. of A&H Underwriters.

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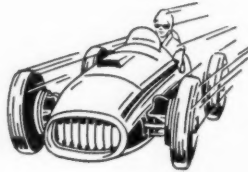
FIELD

**Assn. Hears John Tracy
L. A. Casualty, Surety**

John M. Tracy, Jr., supervisor of agencies in the casualty department of Fireman's Fund group, discussed "Retrospective Rating" at the March meeting of the Casualty & Surety Field-men's Assn. of Los Angeles, and in his

remarks cited the various available plans now approved by 46 states. He suggested that the "retrospective" approach tends to make bad risks good and good risks better since it develops a partnership relationship among the insured, the agent and the company.

Mr. Tracy emphasized that although a penalty premium is included in the plan, the insurer, through the contract, still performs the function of financial responsibility, guarantees equitable loss adjustments and participates in accident prevention.

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The auto racing season is fast approaching. So is the need for Auto Races Liability. This timely coverage protects track owners or sponsors against bodily injury and property damage claims resulting from racing accidents which injure spectators.

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**Empire State Promotes
Flach, Davidson in Field**

Joseph L. Flach has been named special agent for Connecticut by Agricultural and Empire State. Temporarily he will work with State Agent H. Hayes Landon in Springfield, Mass., but will soon take over a new office in New Haven.

Donald B. Davidson, Jr., has been named special agent to work out of the Indianapolis office. He has had three years' experience with Illinois Inspection Bureau.

Worsley to Scottish Union

Mayo M. Worsley, Jr., has been appointed special agent for Scottish Union in Virginia, succeeding Henry W. Butterworth, resigned. A veteran of world war II, Mr. Worsley will make his headquarters at Richmond.

Tulsa Puddle to Initiate

Tulsa puddle of Oklahoma pond of Blue Goose will be host at an initiation April 8, the event to be held under the direction of Walter Walpole and E. J. Kunkle of the Tulsa puddle who are in charge of arrangements. Eight goslings are to be initiated. A golf tournament will precede the banquet at which the ceremonies will be conducted.

Carter Is Special Agent

Stuart G. Thompson-Elwell Co., underwriting managers and general agents with head offices at Seattle, has appointed Herschel Carter, formerly an engineer with Iowa Hardware Mutual of Mason City, Ia., special agent in western Washington.

Mr. Carter entered the insurance business with Iowa Inspection Bureau and after four years with that organization as an engineer joined Crum & Forster as fire engineer with headquarters at Freeport, Ill.

Named by London in Cal.

Dean L. Coleman has been appointed by London Assurance as special agent in the East Bay area at San Francisco. Mr. Coleman started his insurance career in 1948 with Pacific Fire Rating Bureau at San Francisco and later went to Oakland as surveyor. With London, he succeeds R. J. Goede-waagen, who has been transferred to San Francisco as executive special agent.

Stinchcomb in New Post

Edwin Stinchcomb, Jr., has been appointed Georgia state agent for Southern General of Atlanta. He is a graduate of the University of Georgia and for five years was special agent in the state for Loyalty group.

Oakland Agents Hear Kling

Members of the Oakland Assn. of Insurance Agents have scheduled an instructive description of the additions to the California compensation coverages by Thomas Kling, Industrial Indemnity Co., for their meeting today.

Mr. Kling was expected to describe the premium discount plan, tabular

retrospective plans and the combined liability and retrospective plans recently approved by Superior Court Judge William Sweigert of San Francisco, but still "held up" by appeals by a group of California companies.

**National Union Transfers
Two on Pacific Coast**

Walter L. Pendergrass has been transferred by National Union to Spokane where he will be special agent in charge of eastern Washington, Idaho and Montana, effective April 1.

Richard J. Waters has been transferred to Fresno as special agent in charge of the Fresno-Bakersfield territory. He replaces Ivan Mikolavich, who has resigned to take another position.

New Officers at Pittsburgh

Smoke & Cinder Club of Pittsburgh has elected David C. McKelway of London & Lancashire as president to replace Gilbert V. Williams, who has been transferred by American to another territory. Other officers elected are: Joseph F. Cohan, Corroon & Reynolds, vice-president; G. A. Margraff, Pacific National, secretary, and Clyde Van Wickle, America Fore, treasurer.

Ore. Fire Unit to Meet

Oregon Assn. of Insurance Agents' fire contact committee will meet with the Oregon Conference Committee in San Francisco April 5-6. Representing the agents will be Harry H. Hollister, chairman; Marshall R. Brown, Herb Ballin, H. H. Bartlett, all of Portland and Keith Rhodes, Lebanon. Members of the association have been urged to submit items for the agenda relating to fire rates, rules and forms.

Baker Is Special Agent

Robert E. Baker has been named special agent for Fire Association for the San Joaquin Valley. A lifetime resident of the area, he has had both local agency and company experience. He will make his headquarters in Fresno, Cal.

Cornelius to Minn. Field

John A. Cornelius has been appointed special representative in Minnesota for Fireman's Fund group to replace B. G. Brissman, resigned. Mr. Cornelius has been in the western department for five years in underwriting capacities.

Anthracite Club Elects

Officers recently elected by Anthracite Field Club of Pennsylvania are William Wright of Corroon & Reynolds, president; William T. Shindel and E. J. Murphy of General Adjustment Bureau, vice-president and secretary, respectively, and John F. Boland of New Hampshire Fire, treasurer.

Wash. Agents Units to Meet

Washington Assn. of Insurance Agents spring meeting of the board of trustees and local association presi-

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dents has been set for May 7 at the Chinook hotel, Yakima. Preceding the afternoon and evening session of the board, the executive committee will hold a session. The trustees and local association presidents' meeting will also include members of the Yakima association, as guests. Others attending the sessions will be committee chairmen and past presidents.

W. L. Jones Makes Change

William L. Jones has been appointed fire special agent in Wisconsin for Continental Casualty. He has been a field man for 30 years, most recently with Pacific National Fire.

Hale State Agent in Georgia

Crowder L. Hale, special agent of National Union, has been named state agent in Georgia. He and M. D. Williams, special agent, will be associated at the Atlanta office.

Mohaak Flight April 15

The Mohaak Flight, the joint meeting held each year by the Kansas, Oklahoma and Heart of America ponds of Blue Goose, is scheduled for April 15 at Pittsburgh, Kan. An initiation and banquet will follow golfing.

Grogan Joins Fred S. James

Thomas J. Grogan, who for the past two years has been manager of the casualty department at Seattle for the North America Companies, has resigned to join Fred S. James & Co. at Seattle. Before locating in Seattle, Mr. Grogan was with the North America Companies in San Francisco.

The newly elected officers of the Women's Auxiliary of the Alamo Blue Goose, San Antonio, are: Mrs. D. B. Caldwell, Caldwell and Stenger Adjustment Co., president; Mrs. F. M. McPhaul, Glens Falls, 1st vice-president; Mrs. H. H. Rustin, Crum and Forster, 2nd vice-president; Mrs. Hoyt H. Wyatt, Houston, Stevenson and Cummings, secretary; Mrs. Harold H. Bracher, Great American, treasurer. (Company connections of husband's)

Compulsory Auto Meets Defeat by Narrow Vote

(CONTINUED FROM PAGE 1)
single strength in opposition to compulsory.

However, even though compulsory was defeated at this juncture, many in the business believe the outcome to be a Mexican standoff. They believe that before the issue is joined again in New York the business will have to have available coverages that will reduce the present small gap in protection created by the financially irresponsible motorist under the financial responsibility law to an absolute minimum.

It has been the contention of opponents that compulsory would not actually reduce financial irresponsibility to the extent that the proponents have proclaimed, that compulsory would not reach the highly irresponsible persons represented among the 4% of motorists in the state who do not carry liability coverage.

On the other hand, with the voluntary plan that was put forth as a positive answer to compulsory, the business has placed itself in a position of saying that it could do this job of blanket auto indemnity better than the state could do it through compulsory. The voluntary plan, of course, never had a chance of being passed by the legislature and signed by this governor. Consequently, the issue of

Baltimore-Washington Phone Directory Off Press

The Baltimore-Washington Insurance Telephone Directory, with names, addresses and telephone numbers of persons and companies in the insurance industry of Baltimore and Washington, is now off the press. Copies may be obtained for \$1 each from the National Underwriter Co., 420 E. 4th St., Cincinnati, 2 O.

the financially irresponsible motorist remains. The proponents of compulsory can be expected to continue in the field and behind them the proponents of a compensation system for payment without fault.

The size of the issue is small, proportionately, but it is and will continue to be magnified politically by proponents in New York and elsewhere, until there is a satisfactory answer, observers point out. The necessity of reaching "blanket" public protection in some way remains.

They believe that if the business is going to do the job, it will have to re-

vises the voluntary coverage. Many in the business believe it is not sound to charge \$1 to \$5 for coverage that will cost more than that to put on the books and keep track of. Insured motorists have to pay the premium and eventually the extra costs of accounting as well. It would be cheaper to give away the coverage. However, possibly more can be done in connection with the medical payments insurance. It is also argued by some that the designers of the voluntary insurance ought to go back and work on that part of it relating to non-auto owning families. Here the potentialities are large for fraud and for heavy investigation costs.

All hands pretty well agree that the demand for blanket protection of some sort is not going to die down this time as it has occasionally in the past, after an effort to get compulsory has failed. The auto population is too vast, they point out, the problem of the uncompensated innocent victim of financially irresponsible motorists has become too fixed in the minds of politicians and public alike to hope to cure it by outwaiting it.

American Makes Field Changes in Midwest

American has appointed Howard E. Prater special agent in eastern Kansas, replacing Waldemar H. Ogren, who recently took charge of the Kansas City territory. Mr. Prater previously was special agent in western Missouri for Commercial Union. His office will be at 6 West Tenth street Kansas City, Mo.

Special Agent Henry B. Pence, who has been on duty with the navy, has returned to the company and been appointed to Cincinnati where he will be associate with Special Agent Curtis F. Eagle. Mr. Pence was originally assigned to this territory in 1948, but was recalled to duty in the navy. His early insurance training was with the Dayton office of Ohio Inspection Bureau.

Insurance Distaff Executives Assn. of Chicago at its March 18 meeting heard a talk by Jean Gimbel, color stylist with Martin-Senour Co. Her topic was "Color Scheme of Home Decor."



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Late News Bulletins . . .

Local Agent Named by Treasury

WASHINGTON—Virgil R. Lee, Chehalis, Wash., local agent, has been appointed as assistant to Secretary of the Treasury Humphreys. Mr. Lee served 12 years in Washington state legislature, where he was chairman of the insurance committee during three sessions. He is a past president of Washington Assn. of Insurance Agents and served on the National association executive committee at one time. The agency at Chehalis is being managed by his son, William R. Lee, who has been his partner since 1946.

Examination Report of Security

The convention examination of Ssecurity of New Haven group shows that a group of individuals on the Pacific coast a year or so ago acquired a substantial interest in the company and elected a representative to fill a vacancy on the board. In view of these developments, the report states, the directors decided it would serve the company's interest to be reasonably assured of the continuance of the present management by the retention of President Peter J. Berry until 1961 when he reaches retirement age. The directors entered into an employment contract with Mr. Berry to that time, which was unanimously approved.

The examination showed the group to be conducting its affairs with due regard for statutory requirements and in the interest of policyholders.

The west coast interests are said to be Insurance Securities of Oakland, with 100,000 shares of the company's 300,000 shares outstanding. James Hurley of Los Angeles, a tax expert, was the director named.

A&H Tax Exemption Bill in House Again

A bill introduced by Rep. Wolverton in the house would exempt for income tax purposes up to \$100 of premiums paid for A&H insurance by amending section 23x of the internal revenue code relating to deduction of medical and dental expenses from gross income. The bill would also provide that in computing the maximum medical deduction, health insurance premiums would be disregarded. "Health insurance" is defined to mean a plan designed to provide benefits in respect to health services, in return for prepaid subscription charge. This bill is viewed by those in insurance association circles as a perennial and evidently has no connection with the administrator's tax proposals.

Policy Reformation Suit Not Equity Case

Coverage has been denied in one of two suits brought by a Chicago corporation to recover for the death of one of its directors in a mid-air collision over Coventry, Eng., involving a British European Airways Corp. aircraft and a Royal Air Force plane.

This suit was brought by Hyman-Michaels, Inc., Chicago, a large steel and scrap corporation, against U. S. Aviation Underwriters and more specifically against its member company, Massachusetts Bonding, for the reformation of a U.S.A.U. policy issued to Joseph E. Michaels, a director, who was 46 when, as a B.E.A.C. passenger, he was killed in the air collision Feb. 19, 1949.

The Michaels corporation had purchased from U.S.A.U. its "basic airsure" policy for its employees. The policy covered named airlines, of which B.E.A.C. was not one, and the suit brought by the corporation sought to provide coverage for the airline on the theory of mutual mistake.

Judge Dunne, handing down an equity ruling in the circuit court of Cook county, Chicago, refused to recognize that the coverage existed and dismissed the corporation's suit for want of equity.

The other suit, for a principal sum of \$100,000, was filed by the corporation against Associated Agencies of Chicago for breach of contract for failure to provide an insurance audit. The corporation declared in the suit it expressed a desire for an extended coverage clause to assure world-wide coverage. This suit is expected to come up for trial in Chicago shortly. At the time of his death Michaels was a resident of Highland Park, Ill.

FIA Holds Annual Meeting

H. W. Miller, U. S. manager of Commercial Union, was elected chairman of the executive committee of Factory Insurance Assn. at its annual meeting and C. L. Allen, president of Aetna Fire, vice-chairman. Felix Hargrett, vice-president of Home was named secretary, and Gilbert Kingan, U. S. manager of London & Lancashire, treasurer.

Firemen's, Phoenix of Hartford and U. S. Fire were named to the executive committee.

Scripps-Howard Letters to Wolverton

More than 300 letters from readers of Scripps-Howard newspapers dealing with individual A&H policies and practices and written as a result of the series of articles on the subjects that appeared in the paper chain have been turned over to Chairman Wolverton of the house interstate commerce committee. The newspapers received more than 1,000 letters, but only 314 contained details, such as company name. Some were accompanied by supporting data. Mr. Wolverton promised the committee would study the letters.

Pacific Coast Fire has been elected a member of National Bureau, bringing membership to 163.

Gotta with Springfield

Henry Gotta, assistant manager of Interstate Compensation Rating Bureau, New York, has joined the Springfield

field group in the underwriting division. Mr. Gotta was with Interstate two years and previously was with Connecticut Compensation Rating Bureau several years.

700 Jam Midwest Agents' Conference at Louisville

(CONTINUED FROM PAGE 1)

appearance of Kent Parker, manager Western Actuarial Bureau. Mr. Ashton praised him for his knowledge of the business and his consideration of the agents during the conferences. Mr. Parker in turn pledged the cooperation, not only of his organization but of all rating bureaus in the territory. He added pointedly that under Mr. Ashton's chairmanship the agents group has been reasonable and has seen the companies' viewpoint, but still, which he approved, is not showing any signs of giving up on matters which it wants badly.

The Monday afternoon session featured a discussion of the NAIA casualty committee questionnaire on matters to be taken up with National Bureau of Casualty Underwriters representatives. J. H. Bandy, Nashville, committee chairman, was in charge. R. L. Davis, Chicago, Manager Assn. of Casualty and Surety Companies, discussed the answer to compulsory automobile insurance proposals. Mr. Neumann discussed the proposed automobile questions and J. C. O'Connor, Cincinnati, executive editor "Fire, Casualty and Surety Bulletins," the general liability questions. Many questions were raised following these talks.

Mr. Bandy said that in the past only about 400 agents have participated in the casualty questionnaires. Although they have always been available to any agent who wanted one, and that he hopes the new plan of distributing them at territorial conferences will bring in several thousand expressions of opinion. He pointed out that the agents participated in the new private passenger automobile classifications and in the inauguration of extended medical payments, although he personally does not like the idea of another endorsement for the latter cover. His committee hopes that many of its recommendations will be incorporated in the promised complete revision of the automobile policy. On the general liability side, the committee hopes for a basic property damage liability limit of \$5,000. An increase of coverage on the "occurrence" basis, extensions of comprehensive personal liability coverage and a clarification of the "care, custody and control" exclusion.

Mr. Davis reminded the agents that the defeat of compulsory automobile insurance proposals in Michigan and Kentucky were just as important as the defeat in New York. Though less publicized, he explained the proposal for providing coverage through a reinsurance company against inability of an insured to collect from a motorist who is at fault. This did not pass the New York legislature. But Mr. Davis said a major effort had to be exerted to defeat the compulsory bill and very likely Gov. Dewey would have vetoed the voluntary bill if it had passed. However, he emphasized then, and later in answer to a question, that the insurance business dare not relax, that there will continue to be agitation for protection against judgment-proof drivers and that the business must push its constructive alternative.

M. M. Johnson, Ft. Wayne, president National Assn. of Independent Insurance Adjusters, outlined the role of

the adjuster and the agent and made several specific suggestions for agents. He said an agent should realize that insurance is a complicated business, that at least half the adjusting arguments could be avoided by writing insurance properly and consequently should make sure he knows insurance. Having done this, he should see that his employees are properly trained and then should refuse to represent any company without well trained field underwriting and adjusting personnel. He should insist upon full recognition of his status as an agent and expect his companies to back him up. Finally, he should take the attitude that losses must be paid on their merits and in accord with policy provisions, should let the insured know he has confidence in the adjuster and not interfere in losses except in case of a hopeless conflict.

Mr. Johnson scored the practice of trying to adjust on the basis of what the underwriter intended and also ex gratia losses, paid under agency pressure. An insurance policy is a contract, he said, and no one should complain that a company did not intend to cover something, if the policy does not say so clearly. Conversely, no one should be paid if the policy does not cover the loss, no matter how profitable the agent's business is to the company. There is a vast difference between liberality in adjustments, which Mr. Johnson approved, and attempting to pay or not pay something which is provided otherwise by the policy. Ben Horton, Louisville, executive secretary NAIA, introduced Mr. Johnson.

Tuesday morning opened with a rural agents breakfast, at which R. J. Layton, Indianapolis, vice-president Rough Notes Co. discussed agency management. S. C. Barnes, Elizabeth, state national director for Kentucky, presided. The capacity of 110 for the meal was sold out and many agents crowded in after breakfast.

Baylor Landrum, Louisville, was moderator of a panel of CPCU's Tuesday morning. A. Conlisk, Toledo, discussed insuring downtown mercantile properties. B. J. Daenzer, secretary Security of New Haven, talked on homeowners policies, and O. P. Freiling, W. A. Alexander and Co., Chicago, tenants improvements. Mr. Neumann also spoke at this session, discussing government activities in insurance, and Dwight Ely, Columbus production manager Ohio Farmers, talked on salesmanship.

Tuesday afternoon featured a panel on operation of large offices, composed of three NAIA subcommittee chairmen: E. L. Lederer, Chicago, Metropolitan Agents; V. O. Schinner, Washington, office efficiency; and H. H. Corson, Nashville, who is also past midwest conference chairman, large lines agents.

The entertainment features functioned admirably with a large home and western department official representation. Western Underwriters Assn. sponsored a hospitality hour Monday and also a dinner for state secretaries. M. E. Peterson, Chicago, vice-president Springfield F&M and WUA president, was on hand with E. H. Born, manager, and Walter Dithmer, assistant manager. The Kentucky CPCU chapter entertained visiting CPCU's at dinner Monday. Ladies events were well patronized, including a luncheon Monday and a bus trip to the "old Kentucky home" at Bardstown Tuesday.

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